



# ***Daily Report***

## **East Asia**

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# Daily Report

## East Asia

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## Japan

### FTC Studies Reform in Response to U.S. Request

OW2408121195 Tokyo KYODO in English  
1117 GMT 24 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 24 KYODO — A top U.S. trade negotiator has urged its Japanese counterpart to strengthen the Fair Trade Commission (FTC) by increasing the number of investigators by at least 200 to 520 by fiscal 1997, government sources said Thursday [24 August].

The request was made at a ministerial meeting between Trade Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor on auto and auto part trade talks held in Geneva in late June, the sources said.

A joint statement, announced by both top trade negotiators after their meeting, said the Japanese trade minister pledged to report a U.S. call to beef up the fair trade watchdog to Prime Minister Tomiichi Murayama and the FTC's chief.

But the details of the U.S. request have not been disclosed.

The requested increase is larger than the increase of 18 personnel for the next fiscal year from April 1, 1996, which the FTC is considering asking for, according to the sources.

Responding to the cabinet's comprehensive deregulation package this spring, the FTC is studying an overall structural reform including a new investigation division that will particularly deal with big antimonopoly cases.

An official at the FTC said, "Some of the U.S. calls have been included in the structural reforms under study. The others will be kept for future reference."

### EPA Studying New Zealand's Economic Policies

OW3008040095 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 28 Aug 95 Morning Edition p 3

[FBIS Translated Text] In a bid to break the deadlock gripping the Japanese economy, the Economic Planning Agency [EPA] is showing an interest in New Zealand's economic policies. New Zealand has successfully carried out structural reform through powerful deregulation measures, and the country presently has the highest economic growth rate among OECD members. EPA Director General Isamu Miyazaki is showing deep interest in New Zealand economic policies, and made it the destination of his first official trip as EPA head.

Miyazaki visited New Zealand 23-24 August, and met the nation's finance minister, central bank governor, and other top economic officials. In the talks, Miyazaki tried

to study and verify New Zealand's deregulation measures, with particular interest in market functions — such as minimizing governmental regulations, privatizing state-run enterprises, and opening the banking market.

New Zealand's economic regulations were the strictest among advanced nations until the early 1980's. New Zealand had repeatedly lowered interest rates and expanded fiscal spending to satisfy short-term policy goals, and, as a result, was forced to freeze commodity prices, wages, and interest rates to manage the decline in real growth rates, and the increase in unemployment and the inflation rate.

New Zealand launched its structural reform in 1984 under leadership of the then Finance Minister Roger Douglas of the Labor Party. For example, the government allowed greater autonomy to the central bank, but the governor was forced to pledge to resign when the inflation rate reached more than 2 percent. In line with the Labor Party's policy, the National Party government since 1990 has hammered out such drastic reform measures as the transfer of state-owned postal savings and telecommunications businesses to foreign companies, a 50-percent reduction in the number of government officials, and simplification of the tax systems.

New Zealand's past near-sighted economic management has something in common with Japan's present situation. But it is still unclear if Miyazaki's New Zealand trip will enrich the next pump-priming package to be announced in September.

### Chinese Ambassador Terms Aid Cut 'Unwise'

OW3008063995 Tokyo KYODO in English  
0555 GMT 30 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 30 KYODO — The Japanese Government's decision to freeze most of its grants-in-aid to China in protest at the country's nuclear testing was "unwise" and Beijing deeply regrets it, Chinese Ambassador to Japan Xu Dunxin said Wednesday [30 August].

Xu made the remarks when Vice Foreign Minister Sadayuki Hayashi notified him of the decision at the ministry, a Foreign Ministry official said.

The Chinese ambassador, pointing out that this year marks the 50th anniversary of the end of World War II, said Japan's aid cut could have a "negative impact" on Sino-Japanese relations, according to the official.

During the meeting, which lasted more than 70 minutes, Hayashi told Xu that Japan will freeze its grants to



China except for those for humanitarian purposes, disaster relief and medical assistance, to protest China's nuclear testing, conducted twice despite Japan's repeated demands to refrain from testing.

Japan will continue to freeze the grants until China stops its nuclear weapons tests, Hayashi said.

Although the vice foreign minister did not give specific figures for the curb, ministry officials said Japan's grants to China this fiscal year will be drastically cut to about 500 million yen, down from 7.8 billion yen in fiscal 1994.

When Beijing conducted its first nuclear test of the year in May, Japan announced that it would trim its grants to China, without giving any specific figures.

Foreign Ministry officials said Japan has so far not given any grants to China this fiscal year, which began in April and ends next March 31.

Grant aid is designed to finance specific programs annually while official loans are offered on a long-term basis to fund various development projects.

Hayashi assured Xu that Japan will maintain its basic policy of supporting China's open-door reform policies because stable and cooperative Japan-China relations are important for the Asia-Pacific and for the world.

He did not refer to Japan's decision to leave low-interest official yen loans to China untouched, the official said.

Yen loans to China make up the bulk of Japan's financial aid to the country. The two countries agreed last December on a 580 billion yen loan package for 1996-1998.

Hayashi also called on China and France to refrain from conducting nuclear tests and to make efforts to conclude negotiations for the Comprehensive Test Ban Treaty (CTBT).

In reply, Xu reiterated China's position that Beijing is exercising restraint on nuclear testing and that it opposes linkage of political factors to economic cooperation.

The envoy said that Japan's nuclear policy is "not persuasive," since Japan is under the nuclear umbrella while taking an antinuclear stance, according to the official.

Japan's decision to link political factors to its economic cooperation will hurt the Chinese people's feelings, and will "pour cold water" on Chinese-Japanese relations, which have been developing in a good way, he was quoting as saying.

Touching on the timing of Japan's action, Xu told Hayashi he wonders what was "Japan's political inten-

tion" behind the decision to freeze grants to China, the official said.

Japan should be feeling deep remorse over its past role in Asia this year, the 50th anniversary of the end of the war, and should be coping in an appropriate manner with countries it caused damage to, he said.

The Chinese envoy also told Hayashi that among the countries which have invaded China in modern history, "Japan caused the greatest damage," the official said.

In response to Xu's criticism of Japan's decision, Hayashi said Japan cannot extend economic aid without having the understanding of the Japanese public.

He told Xu that Japan's nuclear policy is consistent because it opposes nuclear testing by any country.

Hayashi also said the reason China's nuclear testing and the French plan to resume nuclear tests met with severe criticism now is because nonnuclear countries agreed on the indefinite extension of the Nuclear Nonproliferation Treaty in May by trusting nuclear countries to make efforts toward nuclear disarmament.

On Tuesday, a Chinese Foreign Ministry spokesman called Japan's grant aid freeze "highly detrimental" to bilateral relations.

#### **Cabinet Secretary Comments on Aid Cut to PRC**

*OW3008095295 Tokyo KYODO in English  
0911 GMT 30 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 30 KYODO — Japan's decision to cut its grants-in-aid to China reflects the Japanese people's desire for elimination of all nuclear weapons from the earth, a government spokesman said Wednesday [30 August].

Chief Cabinet Secretary Koken Nosaka told a news conference that China's continued nuclear testing runs counter to the Japanese people's strong hope for total abolition of nuclear arsenals.

"Grants-in-aid come from our people's taxes," he said, noting Japan had to take visible action in protest because China shows no sign of altering its nuclear policy.

To express its opposition to continued nuclear tests, Tokyo decided Tuesday to cut its grant aid to Beijing in fiscal 1995 to 500 million yen from the 7.8 billion yen for the previous fiscal year.

On Wednesday morning, Vice Foreign Minister Sodayuki Hayashi called Chinese Ambassador to Japan Xu Dunxin and notified him of Japan's decision.



Xu's response was one of harsh criticism of Tokyo, saying the decision was "unwise" and could have a "negative impact" on Sino-Japanese relations.

Countering Xu's criticism of Japan's actions against China in this 50th anniversary year of the end of World War II, Nosaka said Prime Minister Tomiichi Murayama has voiced a clear apology for the nation's atrocities before and during the war.

Saying Murayama has also vowed to contribute to world peace, Nosaka noted that China's nuclear policy is not consistent with Japan's desire for peace.

The chief cabinet secretary said he also talked with Xu by telephone earlier on Wednesday to inform the Chinese ambassador of Japan's aid reduction.

Xu made no particular response, Nosaka said, adding he will hold a luncheon meeting with the Chinese envoy on Saturday, one day before his three-day trip to Beijing to attend the UN Women's conference.

Nosaka also said he wants to meet with Chinese leaders in Beijing and urge China to halt nuclear testing directly. So far, no such high-level meetings have been set.

#### **Kono Interviewed on Freezing Aid to PRC**

*OW3008002795 Tokyo ASAHI SHIMBUN NEWS  
CONFERENCE REPORT in Japanese  
0628 GMT 29 Aug 95*

[News conference by Foreign Minister Yohei Kono with domestic reporters at the Foreign Ministry press room in Tokyo on 29 August — recorded]

[FBIS Translated Excerpt] [passage omitted on Kono describing generally the topics under discussion at the 29 August cabinet meeting]

[Kono] At the cabinet meeting, I had the floor to speak out on the issue of nuclear testing. As foreign minister, I have repeatedly urged China and France to stop nuclear testing, or to shelve nuclear testing plans. When China went ahead with nuclear test in August, I summoned the Chinese ambassador to the Foreign Ministry and conveyed Japan's regret over the event. As a result, there were some in the ruling coalition who urged a freeze on Japan's grants-in-aid to China, out of consideration for people's strong feelings on the matter. The Foreign Ministry paid a lot of attention to these calls and decided to freeze grants-in-aid to China with the few exceptions of disaster-relief, humanitarian, and emergency aid programs.

As far as humanitarian programs are concerned, the government has been assisting China's antipolio program for the last two years, and any benefit gained so far will be lost if we do not continue the support for at least

another year. Grassroots assistance programs will also be continued. I told other cabinet ministers the aid programs to China should be frozen until China pledges a suspension of its nuclear testing.

However, Japan should attach importance to its relations with China and France. In particular, Japan's Asia policy will break down if we ignore China's presence in the region.

As far as such pending issues as the normalization negotiations with North Korea are concerned, we have emphasize favorable relations with China, even as we oppose by every means its nuclear testing program. Our position is simply that we oppose any nuclear tests. However, this opposition is expressed, conveyed, and realized within the framework of bilateral and multilateral conferences. I made this point clear at the meeting. [passage omitted]

#### **Tokyo To Transfer Energy Technology to PRC**

*OW3008010995 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 26 Aug 95 Morning Edition p 12*

[FBIS Translated Text] While involving private companies, the government will give a concrete form to a Japan-China joint project designed to reduce emissions of carbon dioxide through transferring new energy technologies to China. These include energy-efficient iron manufacturing technology and solar energy technology. By signing an accord to prevent the greenhouse effect, the industrialized and developing countries agree to work together and to promote joint implementation activities designed to curb carbon dioxide emissions. The government plans to draw up guidelines for joint implementation with Asian countries by using the joint project with China as a model.

Ministries and agencies, including the Environmental Agency and the Ministry of International Trade and Industry, will form a council to promote joint implementation with the Chinese Government as early as spring of 1996 and consolidate rules for cooperation. While calling on Japanese companies to participate, the Japanese Government will map out concrete work programs — including transferring new energy technologies to improve power stations' operational efficiency, efficient iron manufacturing, and solar power generation; popularizing low-pollution cars; and promoting tree planting. The government is studying the possibility of forming a mechanism for registering projects, which are approved as joint implementation activities, and giving companies that would take part in such registered projects incentives such as tax benefits and low-interest loans. The government will also establish a standard for calculating how much carbon dioxide can be reduced by the



joint implementation activities, thereby enabling itself to assess the effect of the projects.

It is tentatively calculated that, due to economic development and population growth, carbon dioxide emissions in China will reach about 6 billion tons — 10 times more than the current amount — by 2100. Therefore, reduction of carbon dioxide emissions in China is of great significance in terms of preventing a global greenhouse effect. The Japanese Government wants to set guidelines to promote joint implementation activities with Indonesia and other Asian countries, as well, by drawing upon the guidelines for the joint implementation activities with China.

**Kizu Credit Union Expected To Suspend Operation**  
*OW3008071895 Tokyo KYODO in English*  
*0659 GMT 30 Aug 95*

[FBIS Transcribed Text] Osaka, Aug. 30 KYODO — Osaka-based Kizu Credit Union is likely to be ordered to suspend operations due to its rapidly deteriorating financial situation, with bad loans totaling more than 600 billion yen, financial sources said Wednesday [30 August].

The Osaka Prefectural Government, the Finance Ministry and the Bank of Japan are expected to make an official announcement on the virtual bankruptcy of Japan's largest credit union later Wednesday, they added.

According to other sources close to Kizu, Minoru Kagiya will resign as president and Tasuku Hasemura, currently executive director, will become acting president.

The sources said the National Federation of Credit Cooperatives is likely to offer a bridging loan to Kizu, which has some 700 employees.

Currently, the Osaka government is discussing ways to handle the problem, but whatever happens, deposits at the credit union are likely to be fully guaranteed, the financial industry sources said.

The massive burden of nonperforming loans will be cleared by funds from the central bank, the Deposit Insurance Corp., the Osaka government and other private financial institutions, they said.

The operation of the credit union will then be taken over by some other financial organization, the sources said.

Kizu is Japan's largest credit union in terms of deposits — which amounted to about 1.19 trillion yen as of the end of July.

Established in 1953, it absorbed two other credit unions in the 1970s and '80s, steadily expanding its operations.

In the so-called "bubble economy" era of the late 1980s, Kizu Credit Union expanded by attracting large-lot depositors with higher interest rates that were made possible under the government's financial deregulation policy.

The amount of its outstanding deposits topped 1 trillion yen in August 1993 to make it Japan's largest credit union.

But its lending to real estate development projects left it with huge amounts of bad loans after the collapse of the bubble economy.

**Ministry, Central Bank To Bail Out Hyogo Bank**  
*OW3008094895 Tokyo KYODO in English*  
*0935 GMT 30 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 30 KYODO — The Ministry of Finance (MOF) and the Bank of Japan (BOJ) decided on Wednesday [30 August] to bail out Hyogo Bank, the financially troubled second-tier regional bank based in Kobe, officials said.

The authorities also decided to suspend the operations of Osaka-based Kizu Credit Union, they said.

The decision is due to be formally announced later in the day.

The MOF and the BOJ concluded it was necessary to transfer the operations of Hyogo and Kizu to other financial institutions and deal with their bad loan problems through Deposit Insurance Corp., the officials said.

Specifically, the authorities intend to maintain Hyogo's operations in a different form but liquidate Kizu in the end, the officials said.

As more than 1 trillion yen is said to be needed to deal with the nonperforming loans incurred by Hyogo and Kizu, the authorities will be required to promptly establish a system to deal with financial institutions' failures, industry officials said.

For Hyogo and Kizu, they said, the authorities are expected to seek the establishment of organs by financial institutions in the Kansai region to take over their operations.

The latest development affecting the top second-tier regional bank and the credit union has deepened the crisis in Japan's financial system, following the management scandal revealed last December at two Tokyo credit unions, the officials added.



**Ministry, BOJ Revise Deposit Insurance System**

OW3008065695 Tokyo YOMIURI SHIMBUN  
in Japanese 22 Aug 95 Morning Edition p 1

[FBIS Translated Text] The Ministry of Finance [MOF] and the Bank of Japan [BOJ], which are studying how to dispose of nonperforming loans shouldered by financial institutions, worked out a scheme on 21 August to drastically revise the deposit insurance system in a bid to smoothly deal with bankrupt financial institutions. The scheme proposes the introduction of a legal framework in which local governments, which are responsible for supervising credit unions, will be required to extend financial aid for the liquidation or relief of bankrupt credit unions. This proposal is designed to make clear local governments' responsibility for their failure to conduct proper supervision. The measures to encourage smooth liquidation of bankrupt institutions also include setting up a "liquidation trustee organization" [seiri shintaku kikan] in charge of handling assets and debts held by failed financial institutions and establishing a "fund to dispose of failed institutions" [hatan shori kikin], which will be used to cover excess debts held by bankrupt financial institutions. The establishment of the trustee organization and the fund is a temporary measure that will last only five years. The scheme also proposes that the deposit insurance system be vested with the trusteeship for bankrupt institutions and the power to work out bail-out measures for bankrupt institutions. The MOF will draw up a draft bill to revise the Deposit Insurance Law based on a report to be worked out by the Committee on Financial Systems Research (advisory panel for the financial minister) as early as the end of this year. It plans to submit the draft bill to an ordinary Diet session next year.

As for the issue of sharing funds for disposing of failed financial institutions, the plan to finance 30 billion yen for two bankrupt Tokyo credit unions remains unsettled. Under these circumstances, the MOF and the BOJ have decided that the to-be-revised Deposit Insurance Law should stipulate local governments' obligation to provide aid for the disposal of failed credit unions. However, out of consideration for local governments' financial burden, they are studying a plan to use local allocation tax to cover part of their burden.

It is also difficult to determine the share of financial support for bankrupt financial institutions — the share will be held by private-sector financial institutions that had business relations with the bankrupt financial institutions. In sharing the financial support, those private-sector institutions are sometimes asked to take measures (such as giving up claims) on failed financial institutions. For this reason, the revised law will stipulate the

share of financial support by private financial institutions that invested in or extended loans to failed institutions. This measure is necessary to make clear the responsibility of those private-sector financial institutions.

The "liquidation trustee organizations," which are scheduled to be set up by the public and private sectors, will take over assets or debts of a financial institution as soon as the institution becomes insolvent. This is aimed at preventing panic among depositors. This organization will also mediate between a failed financial institution and another institution that could absorb it and help transfer its business to a relief organization such as the Tokyo Kyodo Bank. Through such measures, the MOF and the BOJ hope to prevent an unusual situation such as seen in the case of Cosmo Credit Corporation. Though the failed credit union was ordered to suspend operation, a plan to help it has not yet been decided.

The "fund to dispose of failed institutions" will be used to absorb loans that could not be collected when a financial institution goes bankrupt. The MOF and the BOJ have decided to establish such a fund because the amount of current nonperforming loans held by financial institutions is so enormous that the current deposit insurance's premiums cannot fully cover them. The envisaged fund will be financed equally by the public and private sectors. "Public funds," including tax revenue, will come from the central government and local governments. As for private funds, city and regional banks will be asked to provide money based on their business conditions.

The MOF and the BOJ hope that both the trustee organization and the fund would be a temporary measure lasting for five years.

Apart from the planned organization and fund, there is another plan to drastically raise the premium rate to be paid to the government-affiliated Deposit Insurance Corporation from the current 0.012 percent in an effort to increase funds for disposing of failed institutions. Currently, the government-affiliated corporation collects premiums from member financial institutions [to guarantee deposits in case of bankruptcy].

**Takemura on Crisis of Financial Institutions**

OW3008091595 Tokyo KYODO in English  
0856 GMT 30 Aug 95

[FBIS Transcribed Text] Yokohama, Aug. 30 KYODO — Finance Minister Masayoshi Takemura said Wednesday [30 August] the protection of depositors and keeping financial order should be the priority in dealing with the crisis of financial institutions.



"We will take actions based on the protection of depositors and maintenance of credit order," Takemura told reporters when asked about financially troubled Kizu Credit Union.

Earlier in the day, news reports said that the Finance Ministry has decided to order the Osaka-based credit union, which is suffering from a huge amount of bad loans, to suspend operations.

Takemura expressed his regret about the reports, saying the credit union is still in business.

Asked about specific measures for the disposal of the credit union, Takemura declined to comment.

"The Osaka government is seriously dealing with the issue, so we are not in a position to comment on it," Takemura said at a press conference after a series of on-the-spot industrial inspections in Kanagawa Prefecture.

The Osaka government is in charge of supervising Osaka credit unions.

#### **Business Community Wants ODA Loans Reviewed**

*OW2808123795 Tokyo ASAHI SHIMBUN  
in Japanese 27 Aug 95 Morning Edition p 9*

[FBIS Translated Text] The Japanese business community, which has been regarded as the "biggest beneficiary" of the Official Development Assistance (ODA) provided by the Japanese Government, is now increasingly voicing its content with ODA and demanding that it be reviewed. Japanese enterprises have been suffering a decline in their competitiveness following the drastic appreciation of the yen, and the rate of orders awarded to Japanese enterprises for projects financed by yen-based loans under ODA has fallen to its lowest level. These developments are behind the business community's discontent with ODA. In response to this discontent voiced by the business community, some government officials are arguing for a review of the way ODA is allocated. Their argument is feared to run counter to the conventional trend toward reducing tied loans under ODA. At the same time, European nations and the United States may resume their criticism that "Japan provides ODA with an eye on the interests of its own enterprises."

The rate of orders awarded to Japanese enterprises for projects funded by yen-based loans under ODA run at 70 percent until the first half of the 1980's. In the 1990's when Japanese enterprises suffered a decline in their competitiveness following the sharp appreciation of the yen, however, the rate plummeted to about 30 percent. Last year, the rate posted an all-time low of 27 percent. The rate of untied yen-based loans, which do not require the recipients of the loans to award orders to Japanese firms, rose to 98.3 percent in 1995. In Asia,

into which the Japanese Government has poured more than half its ODA and where many Japanese companies have moved, Japanese firms have competed fiercely with overseas Chinese companies, and European and U.S. corporations to win orders for projects financed by yen-based loans provided under ODA, fanning the business community's discontent.

What the business community is especially hoping for in this situation is that the Japanese Government will use ODA as a means to help Japanese companies to participate in projects for the construction of infrastructures, power plants, and communications networks. According to the Asia Development Bank, the Philippines, China, and other Asian nations are expected to spend approximately \$1 trillion on those projects. How to secure low-interest funds and how to increase the rate of business success holds the key to beating out rivals in biddings for those projects. Japanese companies, however, tend to be excessively sensitive to investment risk and weak-kneed compared with their rivals — overseas Chinese companies and European and U.S. corporations. Some government officials are demanding a review of the current system for aggressive use of ODA for civilian projects, because "if the investment risk in the civilian projects is reduced, it would increase the availability of civilian funds," (says Takashi Iijima, vice president of the Sakura General Research Institute).

In response to demands from the business community, the government is at long last beginning to work on reviewing the current system. The Overseas Economic Cooperation Fund (OECF), which has made the first investment in a civilian project for the construction of a power plant in Pakistan, plans to decide on its assistance under a civilian plan to construct a subway in Indonesia. The Foreign Ministry will inaugurate a research group on assistance in civilian projects, and the research group will be mandated to study ways to increase the existing ceiling for the OECF's investment in civilian projects.

The business community is strongly demanding that ODA be used to financially help Japanese companies send their experts abroad. Experts sent by the Japan International Cooperation Agency (JICA) are mostly government officials, and civilian experts have been sent abroad only when no such experts could be found within the government. The Federation of Economic Organizations of Japan [Keidanren], which will inaugurate a "council on personnel dispatch for international contributions" in September, plans to seek the government's cooperation in running the council. A series of moves inspired by the demands from the business community may lead European nations and the United States to be on guard against Japan's change in its ODA. Commenting on this concern, a senior Foreign Ministry official



said, "We are not thinking of bringing tied yen-based loans back for Japanese firms." As for assistance in civilian projects, he said, "It is good if the world's private funds are channeled into those civilian projects." Thus, he indicated that ODA is not provided by the Japanese Government only for Japanese companies. The Japanese Government is now studying the possibility of providing ODA to China for the construction of a high-speed railroad between Shanghai and Beijing, and the Japanese Government is expected to maneuver behind the scenes to provide ODA in tied loans for Japanese firms. The debate on this matter within the government is likely to go through twists and turns.

#### **DA Reviews Ways To Lower Procurement Costs**

*OW2708142895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 21 Aug 95 Morning Edition p 1*

[FBIS Translated Text] The Defense Agency [DA] has decided to review procedures for procuring defense equipment from private companies, in line with the government policy of lowering defense expenditures. To reduce procurement costs, the DA intends to introduce business competition by scrapping contract estimates based on cost accumulation. Moreover, the agency will study the possibility of expanding use of general-purpose products to save on standard military purchases. The agency will set up a study group to determine its course of action as early as the end of September.

The DA is seeking more efficient procurement of front-line equipment in line with the revision of the "National Defense Program Outlines," which guide Japan's defense buildup policy. The agency has recently provided a preparatory "procurement reform panel" within its Equipment Bureau and has opened discussions involving concerned officials from the ground, maritime, and air staff offices.

The amounts of procurement orders given to private companies are currently estimated based on the DA's stringent assessment of complex processing stages, hourly labor costs, material costs, and processing costs. Contractors can make some profits from the ordering system, since such government orders are not affected by economic fluctuations; however, they seldom reward the cost-reduction efforts of companies who seek shorter development and production time as well as better efficiency. Also, adoption of U.S. military standards often pushes up unit prices.

The revised ordering procedure aims at introducing a sense of cost-awareness in procurement procedures. As tangible measures, the agency will study possibilities and problems for 1) expanding use of general-purpose equipment; 2) introducing and encouraging business

competition; and 3) reviewing quality standards for military equipment.

#### **Further on Budget Request for Fiscal 1996**

##### **MOF To Request 21.14 Trillion Yen**

*OW3008092995 Tokyo KYODO in English  
0808 GMT 30 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 30 KYODO — The Ministry of Finance [MOF] Ministry will request a total of 21,139.3 billion yen in the fiscal 1996 budget, up 30.4 percent from the current year's initial budget, ministry officials said Wednesday [30 August].

Accounting for more than 80 percent of the requested amount are debt-servicing costs, which increased 32.2 percent to 17,473.7 billion yen, the officials said.

Debt redemption costs totaled 5,302.5 billion yen, more than triple the amount in this year's budget, while interest payment and discounting fees came to 12,061.1 billion yen, up 3.5 percent, and operating expenses 110.2 billion yen, down 12.9 percent, they said.

The ministry made the request for debt-servicing costs on the assumption that new government bonds worth 9,740 billion yen and refunding bonds worth 25,876 billion yen will be issued, they said.

Besides debt-servicing costs, the ministry will request 446.1 billion yen for economic cooperation costs, up 15.2 percent, and 57 billion yen for measures related to smaller businesses, unchanged from the initial fiscal 1995 budget, they said.

The ministry will also request 1.3 trillion yen to transfer to the industrial investment special account and 566.3 billion yen to liquidate account deficits posted in fiscal 1993, they said.

For miscellaneous costs, mainly personnel expenses, the ministry will request 946.1 billion yen, the officials said.

Requests for general operating expenditure, which excludes debt-servicing costs, transfer to the special account and liquidation costs, totaled 1,799.2 billion yen, up 5.0 percent from the initial fiscal 1995 budget, they said.

The 5.0 percent growth will be smaller than an expected 11.6 percent increase in the total of budget requests to be submitted by Thursday by ministries and government agencies.

The expected 11.6 percent growth is the highest in seven years.



Aside from the budget request, the ministry will also ask for 5 billion yen from special allocations of 300 billion yen for policy-priority public works spending, they said.

It will use the allowance to construct 220 quake-resistant houses for government workers in Tokyo, Nagoya and Osaka, they said.

#### **DA Seeks 43.8 Trillion Yen**

*OW3008100895 Tokyo KYODO in English  
0958 GMT 30 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 30 KYODO — The Defense Agency [DA] decided Wednesday [30 August] to seek some 4.86 trillion yen in defense spending for fiscal 1996, up 2.9 percent from the current year's outlay, agency officials said.

The rate of defense budget growth to be requested by the agency for the year starting in April 1996 equals the ceiling on its budget request imposed by the ruling coalition.

The defense budget request of 4,860.6 billion yen, to be submitted to the Finance Ministry, includes 147.6 billion yen for buying 12 next-generation fighter support (FSX) planes for initial deployment, down from the originally planned 14.

Under the mammoth FSX project, the agency plans to deploy a total of 81 FSX planes within the Air Self-Defense Force by fiscal 2007. The FSX is being developed jointly with the United States as a mainstay fighter plane for the next decade.

The figure represents a sharp cutback on the original plan to deploy 120 to 130 of the planes, but the agency plans to add about 60 new FSX fighters for training.

The agency has estimated production cost for the fighter at some 8 billion yen per plane after mass production starts, with the total cost of deploying 141 machines far surpassing 1 trillion yen.

The agency is likely to face strong opposition to the plan by the Finance Ministry, which is concerned about Japan's fiscal condition, and the Social Democratic Party, which is reluctant to accept any sharp increase in defense spending.

Also included in the agency's budget request is an outlay of 450 million yen for research on the U.S.-proposed theater missile defense project which Washington wants to pursue with Japan.

The agency also requests some 350 million yen for integration of defense information networks by establishing a 1,650-man-strong information headquarters.

The total value of new contracts for frontline equipment should be 919.7 billion yen, down 1.8 billion yen from the current fiscal year, while the expenditure for shouldering costs for U.S. forces stationed in Japan should total 273.1 billion yen, up 0.6 percent, according to the agency's budget request.

The Ground Self-Defense Force also seeks some 560 million yen for utilization of a private-sector satellite to be launched in fiscal 1997 to boost telecommunications among SDF troops.

#### **Kubo Says Murayama Will Not Head New Party**

*OW3008093895 Tokyo KYODO in English  
0921 GMT 30 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 30 KYODO — Prime Minister Tomiichi Murayama will not head the anticipated new party into which his Social Democratic Party (SDP) plans to transform itself, SDP Secretary General Wataru Kubo said Wednesday [30 August].

Murayama will continue to serve as prime minister for the time being, however, after the planned new party is established, Kubo said in an interview with KYODO NEWS SERVICE. Murayama, who heads the second largest component in the tripartite ruling coalition, has held the prime ministerial post since June last year.

Kubo said he aims to conclude preparations for the new party by the end of this October.

"Under the premise we will run in the (next) general election (of the House of Representatives) as a new party, the figure of that party must emerge by the end of October, at the latest. The 50th anniversary of the formation of our party on Nov. 2 will see us putting an end to the SDP's history," he said. A general election is expected to be held later this year or next.

The SDP has sought to gather Japan's "liberal" forces together to form a new party as means of regaining vigor and public support since Kubo proposed the new party plan last fall.

Commenting on the Sept. 22 election to pick a new leader of the Liberal Democratic Party (LDP), the largest component in the coalition, Kubo said part of the cabinet may be reshuffled after the LDP replaces president Yohei Kono, who concurrently serves as foreign minister and deputy prime minister.

Kono announced Monday he will not run for a second two-year term, with International Trade and Industry Minister Ryutaro Hashimoto reportedly winning majority support among LDP lawmakers.

The three ruling parties — the SDP, the LDP and New Party Sakigake — should reconfirm their previous



policy accord after a new LDP head is elected, Kubo said.

**Ministry To Promote Advanced Electronics R&D**

OW3008054295 Tokyo ASAHI SHIMBUN  
in Japanese 29 Aug 95 Morning Edition p 11

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] will start a project next year to support research and development [R&D] on technologies that can be used in developing and producing highly integrated semiconductor chips and liquid crystals. In this area, Japan is ahead of other countries technologically. However, with countries like the United States fiercely trying to catch up, the ministry is afraid Japan will lose its competitiveness. MITI has set aside in its 1996 budget request a sum of 1.33 billion yen for use on a "project to promote development of an ultra-advanced electronic technology."

The project will consist of the government making use of a research union composed of the manufacturers concerned to do the research work; the money set aside in the budget request is for the research work. The ministry expects this project to run for five to six years.

The R&D targeted is very delicate chip-processing technology, which is needed to produce highly integrated semiconductors, as well as the technology to make liquid crystal panels even thinner.

This will be the first time that the government provides assistance to the private sector's R&D efforts since the "very large-scale integrated circuits (LSI) research union" for four years starting in 1976.

**Commentator Yayama Views NTT Breakup**

OW3008044295 Tokyo SANKEI SHIMBUN  
in Japanese 18 Aug 95 Morning Edition p 7

["Just Argument" column by freelance political commentator Taro Yayama: "A Question on the Breakup of NTT"]

**[FBIS Translated Text] Outdated Districting Standard From a Previous Decade**

Debate is now under way on the breakup of Nippon Telegraph and Telephone Corp. (NTT). This topic will determine not only the future of NTT but also the fate of the entire telecommunications sector in Japan. The call for the breakup of NTT is based on an ad hoc administrative reform council 1982 advisory report; however, considering the development of telecommunications technology since then, the splitup of NTT may be no longer significant. In fact, telecommunications devices achieved unexpected developments in the first 10-year period after the privatization of NTT, and the

United States and the UK are about to revise telecommunications management policies set in the previous decade. It is quite legitimate, therefore, to question whether we need to follow through with the breakup of NTT today on the basis of a 10-year-old "pledge."

The 1982 report contained the following proposals: 1) The semigovernmental Nippon Telegraph and Telephone Public Corporation should be privatized; 2) the long-distance divisions should be separated from the local call divisions; 3) the local call divisions should be divided into several companies; and 4) new long-distance call companies should be founded to encourage competition. The fourth proposal was met with the foundation of three new common carriers (NCC) — DDI Corp., Japan Telecom Co., and Teleway Japan Corp. As the result of market competition, the maximum charge for long-distance calls declined from 400 yen to 180 yen per three minutes. The ongoing discussions call for the implementation of the second and third proposals in the 1982 report.

In 1984, AT&T Corp. of the United States was divided into eight companies — AT&T as a long-distance carrier and seven regional service companies — according to a court order made in an anti-trust lawsuit in 1982. After 10 years, however, these U.S. telephone companies are facing business overlapping — long-distance services by regional carriers, or vice versa. Their business fields are undergoing a vertical integration, and classifications set in the previous decade do not make sense any longer.

The so-called Iridium Project, now under way at the initiative of Kyocera Corp. Chairman Kazuo Inamori, is expected to create a new telecommunications network in coming several years. Iridium will provide 66 geostationary satellites to cover the entire surface of the world, and the communications satellites directly connect callers anywhere. Under the Iridium system, the classification of local, long-distance, and international services will no longer have any meaning.

**A 10-Yen Call From Tokyo to Yokohama?**

The breakup of NTT was planned in the hope of encouraging competition among regional companies, and this philosophy was actually implemented when the electric power public corporation was divided into nine private companies. However, it is doubtful if Tokyo Electric Power Co. really has a sense of rivalry against Kansai Electric Power Co. because Japan's electricity rates are still at the highest levels in the world. We cannot, therefore, expect better service through the NTT breakup as long as the divided telephone companies maintain monopoly in their territories. Genuine competition cannot



be realized unless a consumer has a choice of more than two companies to deal with.

With the aim of overcoming the NTT monopoly, TNet Corp., mainly funded by Tokyo Electric Power Co., was established to open an independent local call service. Seven years ago, the company thought it could easily carry on business as long as the existing cable network is accessible. However, the company soon realized that line-connection to each customer costs too much and is too time-consuming. It was then that TNet announced its intention to connect its lines to NTT transmitters connected to individual users.

While NCC companies call for a complete breakup of NTT in line with the 1982 recommendation, TNet says free competition can be achieved by establishing a new "consumer line" company to manage lines between transmitters and individual users. At the present, the opinion of TNet seems quite reasonable. Under the TNet concept, local calls and intraregional long-distance calls will be put under free competition. TNet can become another communication giant through a tieup with other local carriers in opening long-distance services. Although phone calls from Tokyo to Yokohama presently costs 40 yen for per three minutes, the charge may drop to the local call rate of 10 yen.

The TNet proposal will enable NCC, non-NTT long-distance carriers, to open local call services. Moreover, consumer lines may also be involved in competition when technology on cable television systems and wireless communications makes progress.

Both TNet and NCC adhere to the NTT breakup only because their line-connection negotiations with the telecommunications giant are difficult. The NTT breakup is unnecessary, therefore, if a fair and reasonable connection charge is guaranteed.

#### **Demerits in International Competition**

It appears the Ministry of Posts and Telecommunications [MPT] wants to carry out the NTT breakup, but fair competition does not make sense when it is achieved by weakening the market leader. It may temporarily realize a balanced market, but Japan's telecommunication industry will certainly lose competitive power in the international market. This is why the UK and Germany did not divide their telephone companies.

The MPT classifies telecommunications businesses into local, long-distance, and international call carriers, and controls newcomers into each field of the market to adjust the supply-demand balance. The MPT's licensing authority, based on the pretext of supply-demand adjustments, is an example of exactly the same ploy used by the Ministry of Finance when it obtained the

control over the financial market by dividing financial institutes into banks, mutual finance banks, and credit unions. However, such bureaucratic ruling of the market goes against the public interest. The MPT has already sent more than 30 retired senior officials to management posts in NTT. And former MPT officials mostly occupy the top executive posts at NCC, five new international call carriers, two satellite communications carriers, and three personal handy phone (PHS) providers. The United States, the UK, and Germany draw a clear distinction between policymaking government agencies and watchdog agencies to enforce rules. Japan must have such systems to eliminate collusion between the MPT and the business sector.

### **North Korea**

#### **UN Delegation Arrives in Pyongyang**

*SK3008012795 Pyongyang Korean Central Broadcasting Network in Korean*  
0114 GMT 30 Aug 95

[FBIS Translated Text] A delegation of the United Nations Humanitarian Work Bureau [UN indojui saopuk] arrived in Pyongyang by airplane on 29 August.

#### **Activities of Reverend An Reported**

##### **Visits Tomb of King Tongmyong**

*SK3008082995 Pyongyang Korean Central Television Network in Korean* 1100 GMT 26 Aug 95

[FBIS Translated Text] South Korean Christian reverend An Sung-un, who defected to the northern half of the Republic, visited the tomb of King Tongmyong on 25 August. While looking over the tomb of King Tongmyong, which was magnificently rebuilt as it was in the past in accordance with our party's policy to preserve national cultural relics, he was not able to refrain from emotion over the immortal leadership achievements of the great leader [suryong] Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il in elucidating the Korean nation's eternal history.

##### **Visits West Sea Barrage**

*SK3008054295 Pyongyang KCNA in English*  
0447 GMT 30 Aug 95

["North Is Society for the People" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — Rev. An Sung-un of the Evangelical Church in Yoido, Seoul, South Korea, who defected to the northern half of Korea visited Pyongyang and other areas.



He inspected on Monday the West Sea barrage which has been built by damming off the eight km long rough sea in the estuary of the Taedong River.

Giving his impression, he said he felt the national strength of the North is mighty.

He noted:

Such barrage cannot be seen or built in any country of the world. This is because it does not accord to the calculation of capitalists, first of all, and human and material resources needed for its building cannot be mobilized.

This can be done only under socialism, under socialism of the North in particular. I was told that the great President Kim Il-sung planned to build a canal linking the east and the west during the war. I keenly feel his true love for the people.

Hearing that such peaceful barrage was built by servicemen, I have come to know that many things differ from what I had been told in the South. This barrage is a miracle among miracles in the 20th century. If the country is reunified, the South may share the benefit of this barrage, I think.

An Sung-un visited the Pyongyang Maternity Hospital on August 25. He was struck with admiration at the best building and facilities of the hospital. He said:

I am surprised at the fact that wives of ordinary people are delivered of babies and receive medical treatment and all other necessities from state free of charge in this hospital.

Those without money in the South cannot go to an obstetrical and gynaecological department but are delivered of babies, cutting navel-strings at their houses. So many babies die before crying even once.

How good it is if the women in the South are delivered of babies at this excellent Pyongyang maternity hospital with the country being reunified at an early date.

Seeing this hospital alone is enough for one to know well that the society of the North is, indeed, a society for the people.

An Sung-un also visited the Revolutionary Martyrs Cemetery on Mt. Taesong, the Party Founding Museum, the Mangyongdae School Children's Palace, the tomb of King Tangun, the tomb of King Tongmyong, the Pyongyang Zoo and other places.

#### Christian Group Gives Party

SK3008100895 *Pyongyang KCNA in English*  
1000 GMT 30 Aug 95

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — The Central Committee [C.C.] of the Korean Christian Federation [KCF] on Tuesday [29 August] hosted a party in honor of Rev. An Sung-un of the Evangelical Church in Yoido, Seoul, who defected to the North from South Korea.

Present at the party were Rev. Kang Yong-sop, chairman of the KCF Central Committee, and pastors and laymen of Pongsu and Chilgol Churches.

Rev. Yi Chon-min, secretary general of the C.C., KCF, in his address, warmly welcomed Rev. An Sung-un who came over to the DPRK to enjoy the genuine freedom of religion.

He hoped that he would, in good health, devote all his energies and wisdom to the righteous struggle for building a unified country in the Korean peninsula where love, reconciliation, justice and peace will prevail all over and the 70 million fellow countrymen live in harmony.

Rev. An Sung-un said in his reply that in the North freedom of religion is fully guaranteed and Christians are enjoying a religious life in an ardent vigor, which is quite different from what he heard in the South.

"The country should be reunified at an early date so that Christians in the South and the North can hold a service together," he said, adding that he would become a reverend devoted to its realization.

#### NDFSK Officials Lay Basket at Statue

SK2608053695 *Pyongyang KCNA in English*  
0430 GMT 26 Aug 95

[FBIS Transcribed Text] Pyongyang, August 26 (KCNA) — Officials of the Pyongyang mission of the National Democratic Front of South Korea (NDFSK) on Friday [25 August] laid a floral basket before the statue of the great leader President Kim Il-sung on Mansu Hill and paid homage to him on the occasion of the 26th anniversary of NDFSK.

They vowed to devote themselves to the struggle for national reunification under the guidance of the great leader General Kim Chong-il, true to President Kim Il-sung's behest for reunification, this year marking the 50th anniversaries of the country's liberation and the nation's division.

They also visited the Revolutionary Martyrs' Cemetery on Mt. Taesong and laid bouquets before the bust of



Comrade Kim Chong-suk, an indomitable communist revolutionary, before observing a moment of silence.

### **Kim Yong-sam's 'Ridiculous Utterances' Denounced**

*SK3008102095 Pyongyang KCNA in English  
1011 GMT 30 Aug 95*

["Ridiculous Utterances of Man Forsaken by People" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — The traitor Kim Yong-sam invited reporters who have free access to "Chongwadae" [presidential offices] to a feast a few days ago and spoke his mind in the latter half of his term of office, describing South Korea as an "independent state" and a "place where democracy is flowered."

Commenting on this, NODONG SINMUN today brands his remarks as ridiculous utterances of a man forsaken by the people.

In two years and a half after he came into power under the "civilian" mask Kim Yong-sam opened South Korean rice market to foreign forces to reduce the people to food slaves of foreign forces, brutally suppressed the people who were calling for independence, democracy and reunification, deteriorated North-South relations and brought dark clouds of a new war in league with the imperialists, his master, the analyst says, and goes on:

The traitor Kim Yong-sam said that he "felt in his bones" that the "presidential seat" is by no means an honourable one and that he thought "'Chongwadae' is the most solitary place". This, as a matter of fact, is a confession of his anti-national, anti-peace and anti-reunification crimes.

And the traitor Kim made an absurd remark that light water reactor negotiations were "concluded as he intended." His remark cannot but be sheer nonsense in view of the fact that the South Korean authorities could not take part in the talks for a solution to the nuclear issue of the Korean peninsula and the will of South Korea is not reflected in the DPRK-U.S. framework agreement.

He also told a lie that he has deemed it his "greatest duty" to "protect the lives and property of the people" and "defend peace." He begged for "international cooperation system" harmful to the fellow countrymen with fictitious "suspicion of North Korea's nuclear programme" and drove the situation of the Korean peninsula to a dangerous brink of war by resuming "Team Spirit" joint military manoeuvres against the North.

The traitor Kim Yong-sam would be well advised to step down from power of his own accord before facing bitterer resistance from the people.

### **Professors Seek Inquiry of Kwangju Incident**

*SK2608052195 Pyongyang KCNA in English  
0433 GMT 26 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 26 (KCNA) — More than 100 professors rallied in Seoul from 78 universities of South Korea on Thursday [24 August] and went over to a street demonstration and sit-in, in demand of re-investigation into and prosecution of those concerned to the May 18 incident, a South Korean radio report said.

The professors have conducted a signature campaign in protest against the traitor Kim Yong-sam's decision not to bring to a trial the Kwangju murderers from July this year.

They made public a resolution at the rally urging an immediate imprisonment and punishment of the culprits of the Kwangju massacre.

In the resolution they branded the civilian-veiled fascist clique's decision as a behaviour denying history to justify the bloodbath by the Chon Tu-hwan and No Tae-u group and strongly urged the cancel of the decision and punishment of the murderers. They evinced their resolution to fight to the end until the criminals are punished.

After the rally, the professors staged a demonstration marching up to the building of "parliament", denouncing the Kim Yong-sam group and their twelve representatives went into a sit-in at the "parliament".

### **Release Statement**

*SK3008053895 Pyongyang KCNA in English  
0441 GMT 30 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — 230 professors of Seoul National University [SNU] in South Korea held a press conference on August 29 and made public a statement protesting against the decision not to charge those involved in the May 18 massacre, according to radio reports from Seoul.

The statement denounced the decision as an act exceeding the authority of the prosecution and an act contrary to the expectation of the South Korean people.

The professors in the statement demanded that the present "regime" and "National Assembly" institute a special law to make a total probe into the truth behind the May 18 incident and punish those involved in it and



that the prosecution immediately cancel the decision not to charge them and apologize to the people.

**Seek Punishment of 'Murderers'**

SK2608050495 *Pyongyang KCNA in English*  
0419 GMT 26 Aug 95

[FBIS Transcribed Text] Pyongyang, August 26 (KCNA) — Voices demanding the punishment of killers of Kwangju people are loudly ringing out from among South Korean people.

University professors met in Seoul Thursday [24 August] urging the puppet prosecution to make a reinvestigation of those involved in the May 18 bloodbath and prosecute them.

The massive struggle ever mounting in South Korea is quite righteous as it reflects the firm will of the people to penalize the military dictators who massacred Kwangju people and to democratize the society.

The Kim Yong-sam group, however, are openly defending the main architects of the massacre, reluctant to punish them.

This is because the "civilian" regime is a dictatorial regime which emerged from the "Fifth and Sixth Republics" and the traitor Kim Yong-sam is a fascist murderer little different from Chon Tu-hwan and No Tae-u.

The traitor Kim let the puppet prosecution to decide not to bring to a trial 58 murderers including Chon and No who had already been indicted, alleging that "there is no right of appeal" and the "prescription of appeal has expired."

Though he is trying to hush up the terrible bloodbath by the military dictators, he can never cover up the truth of history.

**South's Treatment of Comfort Women Issue Noted**

SK2508151295 *Pyongyang KCNA in English*  
1502 GMT 25 Aug 95

[FBIS Transcribed Text] Pyongyang, August 25 (KCNA) — The South Korean newspaper "HANGYORE SINMUN" carried an article by Min Pyong-kap, a professor at New York municipal university, denouncing the traitor Kim Yong-sam for turning a blind eye to the criminal issue of "comfort women for the Japanese Army".

"The South Korean authorities can never flee from the responsibility for the failure of settlement of the criminal issue of comfort women for the Army until today 50 years since the defeat of Japan in World War II (August 15)," the article says, and goes on:

"The present 'regime' remains satisfied at the formalistic apology of the Japanese Government for the issue.

"Particularly, the stand of Kim Yong-sam 'regime' that it would not ask the Japanese Government to compensate former 'comfort women for the Army' has given a decisive excuse for the scheme of the Japanese Government to avoid the compensation.

"In view of common sense, much more international law, the Japanese Government is obliged to compensate them," the article says, adding, "Japan must not only say that she 'thinks regretful' at her past exorbitant crime, but pay material compensation without condition."

The professor in an article strongly urged the Japanese Government not to turn away its face from the victims' soaring demands, but compensate them with government funds on any account, not with "private funds".

**Papers Publish Articles on NDFSK Anniversary**

SK2508115095 *Pyongyang KCNA in English*  
1020 GMT 25 Aug 95

["Only Victory Is in Store for NDFSK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 25 (KCNA) — NODONG SINMUN and MINJU CHOSON today dedicate articles to the 26th anniversary of the National Democratic Front of South Korea [NDFSK]. Its predecessor is the Revolutionary Party for Reunification.

NODONG SINMUN in a signed article says the foundation of the Revolutionary Party for Reunification on August 25, 1969, was a precious gain of South Korean revolutionaries and people in their long-drawn-out, hard-fought struggle to build a revolutionary party with the great chuche idea as its guideline, a historical event of great significance in the struggle of South Korean people to bring about independence and democracy in society and reunify the country.

The article further says:

With the foundation of the NDFSK South Korean people have been able to possess a true mouthpiece and defender of their interests and desire for independence as well as a reliable political general staff and to blaze the trail of the movement for social transformation.

The NDFSK set itself a goal of modelling itself on the chuche idea in its main efforts to increase itself and established the monolithic system of ideology and leadership, so that it has grown to be an ever-victorious, patriotic vanguard organisation, an indestructible combat unit rooted deep among the popular masses and a



powerful organisation with tightened international solidarity and unity.

The main task of its struggle is to do away with the U.S. imperialists' colonial fascist rule, set up an independent, democratic power and reunify the country independently and in a peaceful way.

As it properly reflects the demand and aspiration of South Korean people, it has become their concern and proved successful in the struggle for independence, democracy and reunification.

The struggle of the NDFSK and South Korean people advancing along the road of independence, democracy and reunification indicated by the great chuche idea is just and will certainly emerge victorious.

MINJU CHOSON in a by-lined article says the great work of the NDFSK for national liberation, democracy and the reunification of the country is righteous and will emerge victorious without fail.

#### **'Suppression' of 'Patriotic Forces' Viewed**

SK3008052695 *Pyongyang KCNA in English*  
0430 GMT 30 Aug 95

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland issued information No. 692 on August 29 denouncing the Kim Yong-sam group's harsher suppression of pro-reunification patriotic forces of South Korea.

According to the information, the fascist clique on August 24 arrested Yi Chong-uk, former chairman of the Seoul District Federation of General Student Councils (Sochongnyon) and fourth-year student of industrial engineering course of Hongik University, by invoking the "National Security Law." He was sought for the reason that he took part in the second-term starting ceremony of the South Korean Federation of General Student Councils (Hanchongnyon) and led the anti-"government" rally which was held last year.

On the 16th, they also issued warrants of arrest of the Hanchongnyon chairman and the chairman of the National Reunification Committee of Hanchongnyon, the Sochongnyon chairman and other hardcore elements for the reason that they dispatched delegates of Hanchongnyon of the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) to the grand national reunification festival marking the 50th anniversary of national liberation, on the charge of violation of the "National Security Law [NSL]".

This is a premeditated and fascist violence of the split-tists to stifle the patriotic pro-reunification democratic forces, the information says, and goes on:

The struggle of the South Korean students for independence, democracy and reunification cannot become a target of suppression on any account.

Ignoring the strong demand for the abolition of the "NSL" at home and abroad, the Kim Yong-sam group are now hell bent on the fascist suppression by invoking this evil law, prattling that the abolition of the "NSL" is "more dangerous than the withdrawal of the U.S. Forces" and "can not be done at all at the present juncture". Sword-brandishing, however, can never dampen the will of the South Korean students who want to live as the first generation of reunification.

The Kim Yong-sam group must abolish the fascist law at once and immediately set free the unreasonably arrested patriotic students and people, clearly understanding that the "NSL" is no longer a "cure-all" and a means of "security of power".

#### **WPK Delegation Returns From Ukraine**

SK3008071795 *Pyongyang Korean Central Broadcasting Network in Korean*  
0100 GMT 27 Aug 95

[FBIS Translated Text] The Workers Party of Korea [WPK] delegation led by Chi Chae-ryong, deputy director of a department of the WPK Central Committee, returned home on 26 August by plane after visiting Ukraine, Belarus, Kazakhstan, and Tajikistan.

Kim Yang-kon, deputy director of a department of the WPK Central Committee, welcomed the delegation at the airport.

#### **Tajik Party, State Leaders Support 'Just Cause'**

SK3008101395 *Pyongyang KCNA in English*  
1005 GMT 30 Aug 95

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — Support and solidarity for the just cause of the Korean people were expressed at celebrations of the 50th anniversary of Korea's liberation held in different countries.

Chairman of the C.C. [Central Committee], the Communist Party of Tajikistan Shodi Shabdolov, addressing the banquet sponsored by the party Central Committee on August 15, said that the great leader of the Korean people Comrade Kim Il-song organised and led the protracted anti-Japanese armed struggle and liberated Korea from the Japanese occupationists and built a socialist state in Korea.



He noted that experiences of the Workers' Party of Korea [WPK] in building socialism are now very important for Tajikistan and they should follow the experiences of the WPK.

Foreign Minister of Tajikistan Nazarov said that Korea is a country which values independence as lifeblood.

Korea successfully overcame the economic blockade under the wise leadership of respected Comrade Kim Il-song and is now making a great stride forward in all fields, he pointed out, and added:

Tajikistan will invariably develop the traditional relations of friendship with Korea and fully support the Korean people in the efforts for national reunification.

Deputy Prime Minister of Tajikistan Mansurov said that Comrade Kim Chong-il is now invariably carrying forward the cause of Comrade Kim Il-song. He expressed the belief that socialism of Korea will win victory one after another and Korea's reunification will surely be realised as long as Comrade Kim Chong-il leads the Korean people.

A meeting celebrating the 50th anniversary of Korea's liberation took place in New Delhi on August 12 under the sponsorship of the Asian Regional Institute of the Chuche Idea.

A speech was made and a message of greetings to the great leader Comrade Kim Chong-il was adopted at the meeting.

#### **Russians Urge Release of 'Prisoners' in South**

*SK2908150395 Pyongyang KCNA in English  
1459 GMT 29 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — The Moscow Youth Society for the Study of the Chuche Idea, the Russian Communist Youth League, the Independent Trade Union and the "Defence of Students" of Russia recently sent letters of protest in joint name to the traitor Kim Yong-sam and to the South Korean puppet ambassador to Russia.

In the letters, they denounced the South Korean authorities for detaining the unconverted long-term prisoners.

The South Korean authorities detained Kim In-so, Ham Se-hwan and Kim Yong-tae and prohibited their meeting with relatives and friends for more than 40 years after taking them prisoner in the early 1950s during the Korean war, said the letters.

The letters noted with resentment that the South Korean authorities take an inhuman approach toward them, lay artificial difficulties in the way of their reunion with families and violate their freedom and rights.

The letters urged the South Korean authorities to lend an ear to the just demand of the world public, ensure freedom of the unconverted long-term prisoners and allow them to meet with their families.

#### **Japan's Plan To Send Fleet to South Denounced**

*SK3008045095 Pyongyang KCNA in English  
0415 GMT 30 Aug 95*

["Dangerous Design of Reinvasion" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — NODONG SINMUN today comments on the Japanese Government's recent announcement that it will dispatch a fleet of the "Maritime Self-Defense Force" to South Korea.

The paper says:

The Japanese Government announced that several warships of Japan including Kashima will drop the anchor at a South Korean port for "exchange" with the South Korean Navy in April 1996. This move is fraught with different meanings and great danger.

Japan and South Korea are not in the relationship of military alliance from the legal point of view. And Japan's constitution does not allow the country to dispatch the "Self-Defense Forces" overseas. That is why the Japanese Government describes the dispatch of the fleet to South Korea as a "return visit." In this way, the Japanese reactionaries intend to make the fleet's South Korea visit a usual practice, thus providing a springboard for inroad on South Korea and easily realise their design of reinvasion.

It is well known a fact that they are trying hard to materialize the dream of "greater east Asia coprosperity sphere" the old empire failed to attain and scheming to launch the operation in Korea.

They also intend to pave a legitimate way of military reinvasion through the dispatch of the fleet to South Korea and send large ground, Naval and Air Forces to South Korea.

They must give up the anachronistic reinvasion design.

#### **Japan's Officials Remarks on 'Aggression' Viewed**

*SK3008054195 Pyongyang KCNA in English  
0438 GMT 30 Aug 95*

["Truth of History Cannot Be Concealed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — Kogen Nosaka, chief cabinet secretary of Japan, said at the cabinet committee of the House



of Representatives that it is all right to consider the Japan's war of aggression to be started from December 1941" [quotation mark as received]. Yoshihiko Ebihara, Dietman from the Liberal Democratic Party of Japan, prattled at the cabinet committee of the House of Councillors that the Japan's war of aggression was a "war of justice for self-defence" and "it is unreasonable to express reflection and apology".

History is objective and immutable.

Even if Kogen refuses, the history of the Japanese imperialists' aggression on Korea and China cannot be erased and even if Yoshihiko distorts, the war of aggression cannot be a war of justice.

It is an undeniable historical fact that the Japanese imperialists' war of aggression was started after "Meiji Restoration" in 1868, not from the attack on pearl harbor in December 1941.

The Japanese imperialists activated their aggression on Korea with the invasion of "Unyo-go" in September 1875, and totally occupied Korea in 1905 by force of arms. The "September 18 event" was faked up in 1931 and the "Jugouqiao incident" in 1937 and the allround aggression war against Manchuria and China was started.

Recently, high-ranking political figures of Japan have justified the history of the past aggression and crimes of Japanese imperialism. This is aimed at repeating the war of aggression and avoiding reparation and compensation for the past unheard-of crimes of the Japanese imperialists.

Japan is thinking that the admission of its past history of aggression loses it the justification of overseas aggression and compels it to make reparation and compensation for the past crimes. Japan, afraid of this, is persistently scheming not to admit the history of its aggression and crimes.

Japan must admit and make reparation for the war of aggression which inflicted innumerable disasters on Asian countries. Particularly, it must make a full apology and reparation for its illegal occupation of Korea over more than 40 years, forcible drafting of more than 6 million people, the hair-raising murder of over one million people, the crime concerning the "comfort women for the army," nearly 200,000 women forced to sexual slavery for the "imperial army" and total destruction and plunder of huge natural resources and cultural wealth of Korea.

Only then, Japan can cleanse its dishonor.

### Japan's 'Reinvasion Maneuvers' Denounced

SK3008062595 *Pyongyang Korean Central Broadcasting Network in Korean*  
1225 GMT 28 Aug 95

[Commentary by Yun Pyong-son: "In a Bid to Repeat the History of Aggression"]

[FBIS Translated Text] The Japanese ruling quarters are continuously attempting to beautify the past crimes committed by the Japanese imperialists.

According to reports, at a House of Councillors committee meeting held on 24 August, Japanese councillor Ebihara Yoshihiko beautified the war of aggression aroused by the Japanese imperialists as a just war for freedom, disapproving even the empty statement of apology released by the Japanese prime minister. He also blared that it is unnatural and unreasonable for Japan alone to hurry in expressing its repentance and apology for the war.

He is not the only person who attempted to beautify Japan's past crimes. During a recent news conference, answering reporters' questions as to whether or not the war prodded by Japan during the Pacific war was a war of invasion, the new Japanese education minister said that an invasion is war and it can be justified when the invader wins the war. He then asked if it is necessary to now apologize one by one for bygones when 70 percent of the people know nothing of the war.

Meanwhile, 10 Japanese Government's ministers made such an absurd act as visiting and worshipping at Yasukuni Shrine — a place for bolstering the zeal for militarism, pluralism, and reinvasion — on the occasion of the 50th anniversary of Japan's defeat in the war. This is an intolerable challenge to the people of the world who demand Japan make a sincere apology and compensation for the past crimes committed by the Japanese imperialists.

With an intent to make entire Asia a colony and dominate it, the Japanese imperialists committed a brigandish invasion with arms to bring immeasurable misfortune and disasters to innumerable Asian people in the past. How can this be a just war for freedom?

It is a shameless act that Japan blared that it is unnatural and unreasonable for Japan alone to express its repentance and apology as though Japan is the only country that makes an apology and compensation. Other countries, which had lost the war, officially admitted their responsibility for the war and apologized for it at a state level. Some of them have already given compensation to victims of the war, and some are now making compensations.



Japan is the only country that refuses to admit its history of aggression and crimes and make compensation or reparation. Japan should make a sincere apology and show its willingness not to repeat such a precedent to the world.

Now, the people of the world demand that Japan frankly admit its history of aggression and crimes, sincerely apologize for it, and make compensation and reparation this year, the 50th anniversary of Japan's defeat in the war, so that it can clear its disgraceful past.

The Japanese ruling quarters, however, are trying to beautify and cover up the history of Japanese imperialists' aggression, saying it is wrong for Japan to apologize. The Japanese councillor's remarks were made in this context.

On the one hand, a so-called statement of apology was issued and, on the other hand, a group of cabinet members went and worshiped at a Yasukuni Shrine and absurd remarks were made denying the war of aggression. This clearly shows that militarist ideas are dominant in the Japanese ruling quarters, who are trying to repeat the history of aggression.

In fact, with the unchanged ambition to realize the old dream for a greater East Asia co-prosperity sphere, which their predecessors failed to achieve, the Japanese reactionaries have accelerated preparations for it in a full-fledged manner. As a result, the Japanese Self-Defense Forces combat capability has grown to tens of times over that of the former Japanese imperial army and they are capable of carrying out any kind of aggression war without difficulty.

Japan, which ranks second in having the largest military budget in the world, regards Korea as its first target in invading the continent, and is now engaged in maneuvers to reinvade Korea. However, such an ambition for invasion cannot be realized.

Asians are grinding their teeth with indignation at the aggression and crimes committed by the Japanese imperialists in the past, and are watching the Japanese reactionaries' reinvansion maneuvers attentively with keen alertness. The Japanese reactionaries should look straight at reality, behave discreetly, and abandon its deep-rooted militarist ideas.

#### **Chongnyon Students Visit Kim Il-song Statue**

*SK2608050395 Pyongyang KCNA in English*  
*0421 GMT 26 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 26 (KCNA) — Home-visiting groups of students of Korean University under the General Association of Korean Residents in Japan (Chongnyon) called at the

statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang on Thursday [24 August], to lay a floral basket and make a bow.

Written on ribbons hanging from the basket are letters "The great leader Generalissimo Kim Il-song is always together with us".

On the same day, a delegation of adult educators and a delegation of men of literature and art of Chongnyon laid bouquets of flowers before the statue and made bows.

#### **Chongnyon Group Members Meet With Yi In-mo**

*SK3008050295 Pyongyang KCNA in English*  
*0409 GMT 30 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — The members of the delegation of adult education workers under the General Association of Korean Residents in Japan [Chongnyon] on a visit to the socialist homeland met with Yi In-mo, the incarnation of faith and will, on Monday.

They renewed their resolve to learn from Yi In-mo's intense loyalty to the leader and revolutionary faith, trust and follow the great leader general Kim Chong-il and reunify the country under his leadership.

#### **Korean Residents in Japan Pay Homage at Kumsusan**

*SK3008050695 Pyongyang KCNA in English*  
*0417 GMT 30 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — A delegation of adult education workers of the General Association of Korean Residents in Japan (Chongnyon), a delegation of literary men and artistes of Chongnyon, a home-visiting group of compatriots of the Hokkaido Credit Association of the Korea Bank under Chongnyon, home-visiting groups of students of Korean University of Chongnyon and the 243d short-term home-visiting group of Korean compatriots in Japan on Tuesday visited the Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state and paid homage to him.

On the 28th, the members of the home-visiting group of compatriots of the Hokkaido Credit Association of the Korea Bank under Chongnyon laid a floral basket before the statue of President Kim Il-song on Mansu Hill and made a bow.



**Swiss Group Leader Gives Impressions of Visit***SK2508151795 Pyongyang KCNA in English  
1510 GMT 25 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 25 (KCNA) — Martin Lotscher [as received], general secretary of the Swiss Committee for Supporting Korea's Reunification, said, referring to his impressions of Korea, that the socialism which is the hope and desire of the progressive humankind is realised in Korea, and continued:

"Staying here, we were deeply impressed by the Korean people successfully building socialism and saw a genuine model of freedom and equality in the reality of Korea.

"We witnessed the power of Korea where the leader, the party and the popular masses are united in one mind during our visit. The imperialists are afraid of the power.

"Wrong guess and intentional blame about Korea are spreading in the west today, but it is no more than the desperate manoeuvres of the imperialists upset by the power of socialist Korea winning victory after victory.

"The Korean people are vigorously advancing toward reunification under the idea of great national unity clarified by the great President Kim Il-song. We are convinced that the desire of the Korean people for national reunification will be realised in the 90s without fail."

**Film Show, Exhibition Mark SRV National Day***SK3008050595 Pyongyang KCNA in English  
0411 GMT 30 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — A photo exhibition and a film show took place here on Monday to mark the 50th national day of Vietnam.

Invited there were Vietnamese Ambassador to Korea Duong Chinh Thuc and his embassy officials.

Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations With Foreign Countries and vice-chairperson of the Korea-Vietnam Friendship Association, and other officials concerned and working people in the city were present.

The participants had a look at pictures on Vietnam and saw a Vietnamese feature film.

**'Famous' Kim Il-song Work Published Abroad***SK3008045295 Pyongyang KCNA in English  
0407 GMT 30 Aug 95*

[FBIS Transcribed Text] Pyongyang August 30 (KCNA) — The great leader President Kim Il-song's famous work "10-point programme of the great unity of the whole nation for the reunification of the country" was carried by the Ghanaian paper WEEKLY INSIDE.

A portrait of President Kim Il-song was printed in the paper.

The work appeared in the Syrian paper AL SAKHAFADUL USUBUAIYE and the Indian paper DEURALI.

The Yemeni paper AS-RAI AL-AAM carried the part dealing with the proposal for founding a Democratic Confederal Republic of Koryo in "Report to the Sixth Congress of the Workers' Party of Korea on the Work of the Central Committee."

**Party Marks Anniversary of DPRK-Cuba Ties***SK3008050895 Pyongyang KCNA in English  
0431 GMT 30 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — Cuban Ambassador to Korea Dose Ramon Rodriguez Varona gave a party on August 29 on the occasion of the 35th anniversary of the establishment of Korea-Cuba diplomatic relations.

Invited there were Choe Ki-yong, chairman of the State Education Commission, and other officials concerned.

Speeches were exchanged there.

**Kim Yang-kon Leads Workers Party Delegation***SK2908232895 Pyongyang KCNA in English  
2211 GMT 29 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — A delegation of the Workers' Party of Korea led by vice-director of a department of its Central Committee Kim Yang-kon left here today for a visit to Asian countries.

A delegation of the State Duma of Russia led by vice-chairman of the Duma Gennadiy Selezne, secretary of the Central Committee of the Communist Party of the Russian Federation, arrived here today.

A group of compatriots of the Hokkaido Credit Association of the Korea Bank under the General Association of Korean Residents in Japan arrived here on Monday on a visit to the socialist homeland.



**So Yun-sok Gives Report at Anniversary Event**

*SK3008051495 Pyongyang KCNA in English  
0423 GMT 30 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 30 (KCNA) — A meeting was held on August 29 to commemorate the 57th anniversary of the great leader President Kim Il-song's advance into the secret base of Yangdok area during the anti-Japanese armed struggle.

So Yun-sok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK], chief secretary of the South Pyongan provincial committee of the WPK and chairman of the South Pyongan provincial people's committee, in his report said:

In August 1938 President Kim Il-song advanced into Yangdok area breaking through a forest of bayonets of the brigandish Japanese imperialists and powerfully aroused people to the accomplishment of the cause of national liberation, which was a historical event of weighty significance in achieving the victory of the heroic anti-Japanese armed struggle and national liberation.

The great leader arrived in the Namdaebong secret camp of the Yangdok area secret base, called a meeting of chiefs of small units and groups of the Korean People's Revolutionary Army, political operatives and heads of underground revolutionary organisations who were active in the central part of Korea, at which he made a historical speech on expanding and developing the armed struggle to the central and southern parts of Korea.

His speech at the Namdaebong meeting was a highly important guideline which brought an epochal turn in accelerating the historical cause of national liberation by firmly building up the revolutionary forces and expanding the armed struggle to the central part of Korea to cope with the revolutionary situation prevailing at home and abroad in the latter half of the 1930s.

Afterwards, Yangdok area was firmly built up into a firm regional leadership centre of the command of the Korean People's Revolutionary Army and played a great role in developing the Korean revolution as a whole and accelerating the cause of national liberation, the reporter stressed.

**New Science-Related Films Released**

*SK2908220695 Pyongyang KCNA in English  
1503 GMT 29 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 29 (KCNA) — The Korean Scientific and Educational Film Studio recently released many scientific films of

various themes, which will be very instrumental in the implementation of the revolutionary economic strategy laid down by the Workers' Party of Korea.

The scientific film "New Stainless Steel Production Technique" introduces a technique of producing stainless steel by the use of raw materials rich in Korea, which was recently developed by the local scientists in hearty response to behests of the great leader President Kim Il-song.

It deals with the characteristics of the stainless steel and directions for its use, saying that the new stainless steel production technique makes it possible to further the development of various domains of the national economy, including chemical and foodstuff industries. The scientific film "Sterilization Cloth" features the principle of sterilization by cloth that was developed by scientists with a top technology and science and techniques for the prevention and treatment of diseases.

The scientific film "Agricultural Know-How No. 17" is on agro-scientific and technical results—maize narrow furrow cultivation, fowl with cut wings, a method of producing twin lambs and a machine of digging a hole for fruit tree manuring.

"Microbial Corn Husk Paper-Making," "Heat Pumps and Its Use" and other scientific films are also popular among the people.

**Workers Prepare for WPK Anniversary**

*SK2508151995 Pyongyang KCNA in English  
1506 GMT 25 Aug 95*

[FBIS Transcribed Text] Pyongyang, August 25 (KCNA) — Work to greet the 50th founding anniversary of the Workers' Party of Korea [WPK] (October 10, 1945) is now going on vigorously at factories and enterprises throughout Korea.

The Yongsong Associated Machinery Bureau has built up ten workshops this year and manufactured some 150 large-scale and special-class machine tools, thereby overfulfilling the quotas for production of ordered equipment every month.

The associated mining machine industry bureau has created innovations in production of major ordered equipment so as to make various kinds of several thousand facilities in recent months and send them to construction sites and mines in different parts of the country.

The United Taedonggang Hydro-electric Power Station, generated more than 8 million kwh electricity outside the assignment in the first six months this year and



topped the July quota at 106 percent. It has been overfulfilling the daily quotas at 150 percent this month.

The Chagang Provincial Associated Forestry Bureau hit the monthly and quarterly assignments, turning out about 3,600 cubic metres of timber in eight months than that in the same period last year.

The Yongyang Mine and the March 5 Youth Mine have built new promising cutting faces and made technical innovations, lifting up the ore production by 30 percent.

Factories and enterprises of local industries in Pyongyang and Kaesong municipalities and Chagang and other provinces are increasing the output of consumer goods.

#### **Cooperative Farms Prepare for Autumn Harvest**

SK3008083495 *Pyongyang Korean Central Broadcasting Network in Korean*  
2100 GMT 28 Aug 95

[FBIS Translated Text] Agricultural workers in Pyongyang are with one will to achieve bumper crops this year to mark the 50th founding anniversary of the party. They are speeding up the fertilization and cultivation of crops and are preparing for the harvest. Reporter Kim Mi-ok of the Korean Central Broadcasting Network interviewed Comrade Pak Kyong-chin, first vice chairman of the Pyongyang Municipal Rural Economic Committee:

[Begin recording] [Kim] I learned many cooperative farms in Pyongyang are efficiently fertilizing and cultivating crops and are thoroughly preparing for the harvest.

[Pak] That is correct. Recently, cooperative farms in the city have fertilized and cultivated various crops in accordance with the continuously disadvantageous weather conditions. In particular, autumn vegetable fields have been properly trimmed, weeded, plowed, and fertilized at the proper time. The Haksan Cooperative Farm, the Changchon Cooperative Farm, and a number of others throughout the city are showing outstanding performances.

Every farm is preparing to harvest ripe crops at the proper time. All cooperative farms are properly undertaking maintenance of their threshing machines and various means of transportation. In particular, cooperative farms in Kangnam County are keeping their small and medium farming tools and machines in good maintenance, feeling that they are highly responsible for the country's granary and demonstrating the revolutionary spirit of self-reliance and fortitude. We will plan economic organizational work in accordance with the heightened enthusiasm of the agricultural workers, will

efficiently fertilize and cultivate crops, and will thoroughly prepare for the harvest so as to reap crops at the proper time and ensure that not a single grain is lost. We resolve to glorify the 50th founding anniversary of the party with bumper crops. [end recording]

#### **South Korea**

##### **Officials 'Tired' of U.S. Foreign Exchange View**

SK3008013795 *Seoul THE KOREA TIMES in English*  
30 Aug 95 p 9

["ROK Officials Dissatisfied With US Description of FX Policy" — THE KOREA TIMES headline]

[FBIS Transcribed Text] The U.S. Treasury Department reported yesterday that Korea is not manipulating its foreign exchange rate but Korean officials are sick and tired of such "negative descriptions of Seoul's foreign exchange rate policy."

A Korean government official said since 1989, the United States has closely watched Korean foreign exchange movements to check whether Seoul officials are manipulating the exchange rate or not.

"Following the U.S. conclusion that Korea was manipulating its exchange rates, Korea adopted the new market-based exchange rate system in 1991." Since the adoption of the new exchange rate determination system, the U.S. Treasury Department has biannually reported that Seoul "is not manipulating the exchange rate."

But the very description "not manipulating the exchange rate," has quite a negative connotation, tarnishing Korea's image and hurting the pride of the Korean people, a government official said.

Policymakers and central bankers around the world, including those in the United States, might "intervene" in the market to let their exchange rate move in a direction they want. A case in point is the recent alleged U.S. intervention in the market to weaken the yen and strengthen the dollar. "If we described the U.S. action as "manipulation," U.S. central bankers would be embarrassed," another government official said. There should be no use of the word "manipulation" in the official U.S. report, he added.

The biannual U.S. report has often been used as a tool to keep Korean policymakers toeing the line of the ongoing foreign exchange and financial liberalization policy.

The report said the Treasury continues to engage Korea on further liberalizing its financial sector, and on easing foreign exchange and capital controls which inhibit market forces from fully determining the exchange rate.



The Treasury said it will continue to press Korea to accelerate implementation of its five-year foreign exchange system reform plan. It said another significant development since April is Korea's formal application to join the OECD.

**U.S. Ambassador Laney Criticized on Statement**

SK3008094195 Seoul HANGYORE SINMUN  
in Korean 30 Aug 95 p 5

[Article by commentator Yi Won-sop from the "Morning Sunlight" column: "Ambassador Laney's 'Recognition'"]

[FBIS Translated Text] The remarks reportedly made by James Laney, U.S. ambassador to the ROK, to a reporter from THE NEW YORK TIMES went beyond the bounds of a diplomat. THE NEW YORK TIMES, which set aside almost an entire page to deal with the ROK-U.S. friction surrounding crimes committed by U.S. soldiers, reported Ambassador Laney as saying: "South Koreans are lured to believe that crimes committed by U.S. soldiers are spiraling out of control. The problem lies not in an increase in crimes by U.S. soldiers, but in an irresponsible ROK media that describes and conveys such crimes by U.S. soldiers in uniquely sensationalistic reports to an already angered people." A diplomat is a person who works for his country's interests in the country of residence. The interest of one's home country has complete priority over any other country, but the ambassador living in the country of residence also has a mission to convey that country's position to his home government and people so an amicable understanding can be reached. The diplomatic custom for an ambassador to proceed to his post is for the home country to first request the dispatch of a diplomatic mission, followed by an acceptance from the government receiving the ambassador. Compared with his predecessors, Ambassador Laney is known to be the most knowledgeable concerning the ROK and shows the most amity toward South Koreans. If his recognition of the matter amounts only to this, then it is all too easy to presume what other Americans think about the ROK and crimes committed by U.S. soldiers.

In March of last year, popular writer Choe In-ho was in a traffic accident caused by a U.S. soldier. Choe received serious wounds that required him to be treated for 16 weeks before recovering completely. While Choe was driving with his friends, a U.S. military vehicle passed over the central line of the road, and the two vehicles collided. After the accident, there was no news at all from the American, so at first Choe had to be burdened with all the hospital bills. Choe said he does not know who caused his injuries or whether the American was punished. A person like Choe, who is well known, had

to hopelessly endure such a situation. How much more will ordinary people suffer?

The dispute over the unfair nature of the ROK-U.S. Status of Forces Agreement is not a matter of yesterday and today. Due to recent continued crimes by U.S. soldiers, the controversy over the infringement of our sovereignty has grown, and thus voices demanding its revision have become all the greater. Since the governments of the ROK and the United States could not just neglect the sentiment of an aggravated people, both countries promised to hold negotiations to revise the clauses that are in dispute. Among the provisions, the most toxic clause relates to the problem of criminal jurisdiction. When a U.S. soldier commits a crime and the U.S. Forces request he be handed over, the ROK authorities must do so immediately, even though the ROK authorities were the ones to arrest him. However brutal the crime committed by a U.S. soldier may be, an arrest and investigation is impossible. As can be seen by the murder of Yun Kum-i of Tongduchon, and by the violent incident that occurred at a subway station in Seoul, such a clause kindles the flames of the people's sentiment. Other than criminal jurisdiction, as in the case of Choe In-ho, other unfair provisions include the requesting of a civil suit, which excludes any procedures for compensation, and the clause on preferential tariffs.

As can be seen in such situations, Ambassador Laney's remark has indeed lost its balance. Paradoxically, if there is one part which is worth paying attention to, it is the part criticizing our media's "nature of a pot." If a major incident or accident occurs, our media heatedly raises a commotion, but as time passes it tends to cool off quickly as if the incident never occurred. This is the same when it comes to crimes committed by U.S. soldiers. If the media thoroughly complained and closely observed this matter from the first, it would not have been pointed out.

What Ambassador Laney must correctly understand is the change in the ROK people's awareness regarding the United States. This should not be blamed on the media. Laney must be aware that the fundamental change was caused by no other than the United States. The important event that fostered the "anti-U.S." voices was the attitude of the U.S. Government during the 1980 Kwangju massacre. Before then, the only country in the world that did not use anti-U.S. slogans was the ROK. However, Kwangju was the first experience in which the citizens' futile fantasy that the United States would defend us from a dictatorship and spread democracy and human rights was mercilessly smashed. Recently, the high-handed attitude of the United States, such as pressuring us to open up the rice market, has instigated an anti-U.S. awareness in ordinary people.



However, the "anti-U.S." sentiment in the ROK still does not surpass the "emotional" level. The stationing of U.S. forces in the ROK is not in our interest, but is to defend U.S. interests in Northeast Asia. In addition, there is no common recognition between the United States and the ROK that there exists a "natural" understanding that, if necessary, the United States will withdraw its soldiers at any time. In the U.S. "Report on the New East Asia and Pacific Security Strategy" announced in late February, it was explicitly shown on which basis U.S. soldiers are being stationed in the ROK, and furthermore, throughout east Asia: "The reason the United States is trying to maintain allied relations in Asia is not only for security in this region, but also as a means to increase U.S. influence regarding important Asian issues. Today, Asia has a new importance. As of 1993, the volume of trade between the United States and Asia was \$370 billion. As much as 2.8 million jobs were obtained as a result of this."

#### **Rejection of AT&T Bid May Result in Complaint**

SK2908035095 Seoul THE KOREA TIMES in English  
29 Aug 95 p 8

[Report by No Chun-hon]

[FBIS Transcribed Text] The rejection of an AT&T switching system by Korea Telecom in a procurement program is threatening to turn into a Super 301 issue with the giant American enterprise filing an official complaint.

In a letter, AT&T reportedly said it was treated unfairly in connection with the provision of technical specifications for the new system and that it should be given the right to participate in the upcoming bidding in November.

The system mentioned in the Aug. 22 correspondence is the 5ESS-2000 switching machine which is supposed to be an improved and more powerful version of an already approved system.

A report in Inside U.S. Trade in the United States said there is every indication that the American telecommunications maker will go to the U.S. Trade Representative Office to seek a solution to the issue.

Korea Telecom, for its part, explained that all parties concerned were notified of the technical specifications and there was "no preferential treatment" of domestic companies.

Under an agreement with the U.S., Korea Telecom has been posting official notifications of procurement programs in newspapers, thus making the information available to both local and foreign companies.

Technical qualifications for the 5ESS-2000 began April 24 but related tests could not be satisfactorily completed by July 30 and notification of the difficulties was sent to AT&T.

Telecom officials said technical personnel of the two companies are currently working on the functions which do not meet the specifications and whether approval for participation in the bidding will be given can only be determined sometime in the future.

"The specifications are transparent and in line with international standards. AT&T has to meet them to the letter before qualifying for the bidding. At the moment, it is up to AT&T whether or not it is able to meet the November bidding deadline," said Korea Telecom's Yi Won-hyong.

Yi Ki-sop, director for public relations at AT&T Korea, said the letter from headquarters was simply designed to indicate that it was not able to meet the deadline for qualification.

Yi said, "At present, work is proceeding smoothly to work out the problems. All we are asking is that we be allowed to participate in the November bidding while the problems are being addressed."

He explained that the problems in question are not critical in nature and that he is confident that they will be worked out in good time before the delivery of the systems sometime next year or early the following year.

The trouble, however, is that the telecommunications market, since it is so lucrative, has constantly been a delicate area which has the potential of blowing up into a bilateral confrontation.

Market watchers said there is a strong chance that Korea Telecom may refuse to allow AT&T to participate in the November bidding should the existing technical problems remain unsolved much longer.

"Should this occur, AT&T will probably waste little time in approaching the USTR based on its argument that it was under a handicap in that it received the specifications one year later than Korea firms," one expert said.

According to Dr. Kim Chung-se, president of AT&T Korea, there has been a widespread belief that AT&T had been given preferential treatment by the Korean Government under pressure from Washington.

However, he explained, it has taken over two years for the 5ESS-2000 to go through the qualification process, contradicting speculation process, contradicting speculations that it took AT&T just a couple of months to get approval.



### **Semiconductors Face Lower Antidumping Duties**

SK2608022295 *Seoul THE KOREA TIMES in English*  
26 Aug 95 p 8

[FBIS Transcribed Text] Korean semiconductor chips face considerably lower anti-dumping duties in the lucrative American market as a result of the latest ruling by the Court for International Trade (CIT).

The CIT ruled yesterday that the three leading Korean makers of semiconductors will all receive the benefit of lower anti-dumping duties which they were denied under a 1993 decision which reportedly involved a miscalculation.

The new duties, which the Department of Commerce was directed to implement, were 0.22 percent for Samsung Electronics, 5.15 percent for Hyundai Electronics Industries and 4.28 percent for LG Semicon.

They compare with the 1993 duties of 0.82 percent for Samsung Electronics, 11.45 percent for Hyundai Electronics Industries and 4.97 percent for LG Semicon, industry sources said.

The punitive duties were levied based on allegations by Micron Technology of the United States prior to 1993. So far, the American company has not voiced discontent with the latest anti-dumping ruling.

The decision holds special meaning for Samsung since a tariff of less than 0.5 percent for a period of three years, with the lack of any further intention to conduct anti-dumping deliberations, directly leads to the abolition of the tariff.

Samsung, if taken off the list in this way, will be eligible for a refund of some 30 million dollars paid thus far in anti-dumping duties, the sources explained.

More encouraging is the fact that the Department of Commerce last month presented an initial proposal for the levying of 0.202 percent in anti-dumping duties on HEI, 0.319 percent on LG Semicon and 0.99 percent on Samsung.

### **Venue for Light-Water Reactor Talks in Dispute**

SK3008014695 *Seoul YONHAP in English*  
0043 GMT 30 Aug 95

[FBIS Transcribed Text] Washington, Aug. 29 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) and North Korea have reportedly hit a snag in their negotiations regarding the venue for the next round of talks for light-water nuclear reactor supply to the communist country.

Reliable sources in New York and Washington said Tuesday that the North Koreans have proposed the talks

be held in Sinpo, South Hamgyong Province, where the projected light-water nuclear power plant will be constructed, while KEDO wants to hold them in a third location other than North Korea.

Both sides have initiated contact regarding the itinerary of the reactor supply contract talks with an intent to start them before mid-September, according to the sources.

A senior official of the North Korean mission to the United Nations alleged, "KEDO is creating barriers to the venue of the negotiations," adding, "We are considering the possibility that KEDO may be merely prolonging the freeze of our nuclear program, stalling us with the excuse they will supply us with light-water reactors."

Depending on KEDO's attitude about the venue of the negotiations, the reactor supply contract negotiations may be delayed, the official noted.

But KEDO has reportedly counter-proposed that the negotiations be held at a third location outside North Korea, on the grounds that Sinpo has various problems in terms of communication and security, according to the sources.

When opened, the light-water reactor supply contract negotiations will first begin documenting the agreements already reached, such as the type of reactors and the principal contractor, before discussing matters like the scope of additional facilities to be supplied by KEDO, the sources added.

### **Ministry: No UN Notification on Flood in North**

SK3008032995 *Seoul KBS-1 Radio Network*  
in Korean 0300 GMT 30 Aug 95

[FBIS Translated Text] The ROK Government denied some media reports that the United Nations notified the ROK and other member states of the status of North Korea's flood damage. So Chae-won, spokesman of the Foreign Ministry, said on 30 August that the government has not received any report on North Korea's flood damage from the United Nations. He added that since a UN survey team is assessing the damage in North Korea, the United Nations will send an official report on the status of the flood damage and the aid requirements upon completion of its survey.

### **Daily Analyzes Reports of Flood Damage**

SK2908115195 *Seoul HANGUK ILBO in Korean*  
28 Aug 95 p 13

[Report by Hong Yun-o]

[FBIS Translated Text] It was learned that not only the ROK but also North Korea suffered heavy flood



damage due to the recent torrential rains that hit the entire Korean peninsula. However, in the case of North Korea, it was learned that in addition to the visible damage caused by the recent torrential rains, such as flooded houses and the creation of flood victims, the North is also experiencing more serious suffering such as the raging of various contagious diseases, including cholera, and expected food shortages caused by inundated farmland.

Although exact and detailed damage assessments of the recent torrential rains have not been confirmed yet, some have been indirectly confirmed by Korean residents living in a Chinese city adjacent to North Korea.

The North Korean authorities have also shown an unprecedented attitude toward reporting some of the damage caused by the recent torrential rains through the Korean Central News Agency [KCNA], breaking their practice that "unfavorable new reports are not to be released."

Recently, North Korea frequently reported Kim Chong-il's flood relief activities through Pyongyang's Korean Central Broadcasting Network in an apparent effort to stress his leadership ability.

On 21 August, KCNA reported: "Over 600 millimeters of torrential rain hit some areas for one to two hours. As a result, the Supung Reservoir was flooded on 31 July, and on 8 August the highest water level of the Yalu River reached almost seven meters, exceeding the water level of 6.8 meters registered during the floods of 1923 and 1935. The area surrounding Sinuiju was completely submerged."

Earlier, on 18 August, KCNA reported that Sinuiju and some areas in Uiju County, which are in the basin of the Yalu River, were flooded by torrential rains, creating over 2,000 flood victims.

According to KCNA, in the basin of the Taedong River, 800 millimeters of rain pounded the Maengsan area while 830 millimeters of rain pounded the Tokchon area.

According to Korean compatriots residing in the PRC, the flood damage caused by the torrential rains is more serious than reported by KCNA. In the case of Sinuiju, because the city's river embankment flooded, the second floors of apartment buildings were submerged; all farm lands were inundated; and scores of thousands of flood victims were created. In the area in the vicinity of Sinuiju, railways, roads, and communications facilities were completely destroyed. Furthermore, the damage was so serious it was impossible to conduct damage assessment activities. The international train between Pyongyang and Beijing was suspended for more than a week.

In Pyongyang, 300 millimeters of torrential rain pounded the city for three days beginning 6 August. Because of this, the supply of tap water was reportedly suspended in the city; many places along the Pyongyang-Wonsan expressway were destroyed; and, consequently, traffic between Pyongyang and Wonsan was delayed.

Furthermore, various water-borne contagious diseases, including cholera, are reportedly raging in flood-stricken areas. It is also anticipated that this year will witness the worst harvest since much farmland was inundated by heavy rain. Thus, it is highly likely North Korea's food situation will become more serious this year.

In some regions in North Korea, people still use firewood as fuel, and many terraced fields have been cultivated in accordance with Kim Il-song's past teachings. These factors have further facilitated the recent flood damage.

However, North Korea, through KCNA and the Korean Central Broadcasting Network, has reported that Kim Chong-il took the initiative in the "relief battle," and that as a result, all people were rescued, leaving no victims. Thus, North Korea has attempted to use the flood resulting from the recent torrential rain to propagate Kim Chong-il's leadership ability.

**Kim Yong-sam on Aid for Rain Damage in South**  
*SK2908092195 Seoul YONHAP in English*  
*0844 GMT 29 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 29 (YONHAP) — President Kim Yong-sam Tuesday instructed the cabinet to restore the damage caused by last week's heavy rainfall as soon as possible.

Presiding over a meeting of cabinet members and presidential secretaries at Chongwadae [presidential offices], the presidential mansion, in the afternoon, President Kim told the ministers to "precisely ascertain the scale of damage and to give financial and tax supports to those who suffered losses."

Kim was briefed on the damage and planned to provide the restoration before he issued the instruction.

Forty one people were reported killed by the five days of torrential rains that ended last Sunday, while 12 others were said to be missing and 1,459 others were left homeless, according to official figures released by the central disaster authorities.

Property damage was tentatively estimated at 191.2 billion won (246 million U.S. dollars) and authorities fear this figure will skyrocket when all detailed reports are in.



The head of state added that the government should give its maximum support to the farmers and fishermen who suffered significant losses as a result of the torrential rains and by typhoon Janis which immediately followed.

He also commented on preparations for the Chusok holiday, also known as the Harvest Moon Festival.

He told the cabinet to make comprehensive preparations for the biggest festival in Korea, to stabilize the prices of agricultural products and others items so that the people may not experience any inconveniences during the holiday.

The chief executive stressed that complete assistance will be given to those who left homeless and to the farmers who suffered damages by the heavy rains and Typhoon Janis, while instructing ministers to make rapid restorations to the any basic structure that was destroyed, such as railroads and bridges, by providing the manpower and equipment required.

Kim also underlined the importance of additional and increased investments in weather-related fields in an effort to reduce flood damage.

As to the coming Chusok holiday, Kim requested that the government do its best to help solve problems such as transportation and security for people, also adding that officialdom should set an example by spending frugally on the three-day holiday.

#### **Reverend Kwak Son-hui Returns Home**

*SK2908131395 Seoul YONHAP in English*  
*1215 GMT 29 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 29 (YONHAP) — Rev. Kwak Son-hui of the Somang Presbyterian Church in Seoul returned home Tuesday afternoon from an eight-day visit to North Korea.

On arrival at Kimpo Airport, Kwak said North Korea, too, suffered much from heavy rains last week.

"During my stay in the North, I discussed with North Korean religious leaders ways to promote bilateral cooperation in achieving unification," he said.

He said that originally he was to meet with his nephew in Pyongyang.

"But, as my nephew couldn't come to Pyongyang because of flood-caused damages to roads, I myself went to Chaeryong, Hwanghae Province to meet him," he said.

Asked if he met Kim Chong-il, Kwak said he didn't because if he did, it might undermine his purely religiously-motivated exchange programs.

He said he invited North Korean religious leaders to visit the South and obtained affirmative responses. But, no exact time of their visit could be fixed, he said.

On the situation of religion in North Korea, Kwak said North Korean people wishing to go to church have to obtain permission from authorities first, adding that the hymnal they were using was the one published in 1933.

He also said he heard nothing about Rev. An Sung-kuk said to have been kidnapped to North Korea.

Asked if the North Korean people knew South Korea has been providing rice to the North, the clergyman declined to answer, saying it would be good not to ask about things other than religious matters.

#### **Beijing Seeks Cooperation in Projects**

*SK2908114795 Seoul YONHAP in English*  
*1043 GMT 29 Aug 95*

[FBIS Transcribed Text] Beijing, Aug. 29 (YONHAP) — The Chinese Government has asked South Korea to participate and cooperate positively in the implementation of its 9th Five-Year Economic Plan set to begin next year, a South Korean official said here Tuesday.

The Seoul official now here attending the 3rd Korea-China vice economic ministers meeting said China made the request during the meeting begun on Monday.

The three-day meeting was attended by Vice Finance-Economy Minister Yi Sok-chae and his Chinese counterpart, Vice State Planning Minister Ye Qing.

The official said that at the meeting the two sides decided to provide governmental support to relevant industries of the two countries so that they could cooperate each other more closely in the areas of automobile, airplane, tele-communications, high-definition television and atomic energy.

During his stay here, Vice Minister Yi met Vice Chinese Premier Zou Jiahua and State Planning Minister Chen Jinhua to exchange opinions on ways to further expand bilateral cooperation.

#### **Security Tax Exemption Pact Signed With UK**

*SK2908082995 Seoul YONHAP in English*  
*0630 GMT 29 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 29 (YONHAP) — South Korea and the United Kingdom agreed in principle to sign a pact which will exempt businessmen from either country working in the other from having to pay social security taxes, according to a Foreign Ministry spokesman Tuesday.



The agreement was made between Director An Ho-yong of the Foreign Ministry's International Trade Division III, and Ray Corness [name as received] in charge of international negotiations at the U.K. Department of Social Security, at the conclusion of their five-day talks on the issue in London last Friday.

The two sides agreed to hold another round of social security talks in Seoul at a later date in order to put the final touches on the negotiations, according to the spokesman.

About 600 Koreans pay nearly 6.6 billion won in social security taxes to the United Kingdom every year, although few receive benefits.

The reason is that most Koreans working in Britain do not usually remain there for the minimum time required by the U.K. Government to receive social security benefits.

#### **Kong No-myong Stresses Ties to South America**

*SK3008080395 Seoul YONHAP in English*  
0645 GMT 30 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 30 (YONHAP) — Foreign Minister Kong No-myong Wednesday stressed the need to enhance political, economic and cultural relations between South Korea and South American countries in order to effectively cope with the rapidly changing post Cold War era, a Foreign Ministry spokesman said.

In a speech to a meeting of the Argentine Council for International Relations (CARI), entitled "Korea-Latin America Relations in the Post Cold War Era", Kong, now on a tour of five South American states, said that Asian and Latin American countries need to cooperate in a variety of fields as both sides share the experience of being places where ideologies and economic systems of the Cold War era were tested.

#### **Nicaraguan Vice Foreign Minister Arrives**

*SK2808080295 Seoul YONHAP in English*  
0717 GMT 28 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 28 (YONHAP) — Nicaraguan Vice Foreign Minister Jose Bernard Pallais Arana arrived in Seoul Monday for a three-day official visit to enhance bilateral economic and political relations, a Foreign Ministry spokesman said Monday.

The Nicaraguan vice foreign minister will meet with his Korean counterpart Yi Si-yong Tuesday to discuss ways for South Korean firms to expand their investment in the Central American country and to take part in the privatization of Nicaragua's telecommunications authorities, the spokesman said.

Nicaragua opened its embassy here last June after closing its embassy in Pyongyang in 1991. North Korea closed its embassy in Nicaragua last May.

#### **Investment Guarantee Pact Signed With Chile**

*SK2908082195 Seoul YONHAP in English*  
0634 GMT 29 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 29 (YONHAP) — South Korea and Chile Monday [28 August] agreed to sign an investment guarantee to promote the enhancement of bilateral trade and investment, Foreign Ministry Spokesman So Tae-won said Tuesday.

Foreign Minister Kong No-myong, currently on a tour of five South American countries, also agreed with his Chilean counterpart Jose Miguel Insulza to develop a special partnership with the South American nation in the Asia Pacific Economic Cooperation (APEC) forum and other international organizations, So said.

The two ministers also agreed to enhance cooperation in the United Nations Security Council (UNSC) as South Korea and Chile are both bidding for seats on the UNSC next year, according to So.

Insulza invited President Kim Yong-sam to visit Chile in 1996, noting the state visit to Seoul by Chilean President Eduardo Frei in November 1994, So said.

Kong also met with Chilean House Speaker Andres Allamand to ask for his support in Rep. Pak Chong-su's efforts to become a member of the Executive Committee of the Inter-Parliamentary Union (IPU).

#### **Daewoo Increases Activity in Eastern Europe**

*SK2708042995 Seoul THE KOREA TIMES in English*  
27 Aug 95 p 8

[FBIS Transcribed Text] Daewoo Motor Co. is gearing up its efforts to gain a solid foothold in eastern European nations before other major car makers.

Daewoo has put greater emphasis on the region in its judgment the area has as much market potential as southeast Asia, prompted by the countries of the area moving to market economies, an official said. [sentence as published]

The company plans to sign contracts with the Czech Republic, Poland and Romania for the combined production of 365,000 cars a year in mid- and long-term projects.

Daewoo plans to set up a car group in Poland in a joint venture with FSO (Fabryka Samochodow Osobowych) and other Polish automakers.



To this end, the company will invest \$1.1 billion in taking a 61 percent stake in the nation's state-owned FSO car factory. Daewoo Group's Chairman Kim U-chung signed a letter of intent last June to this effect, he said.

About 350 million dollars will be invested in Poland by 2000 to manufacture 90,000 automobiles per annum — 50,000 compact cars and 40,000 small-size trucks.

The contract for the construction of the plant will be signed in October, he said. Daewoo's winning the car deal is accepted as having thrown a monkey wrench into General Motors Corp.'s plan to gain a foothold in the nation, he added.

The deal, if signed in October, will be second-largest Polish privatization investment behind a \$1.56 billion investment by Fiat of Italy in another car plant. About 80 percent of the car components will be produced in Poland.

Daewoo will start manufacturing cars in Poland next year with knockdown Esperos shipped from here and will embark on full-fledged investment from 1997 to manufacture 20,000 cars there, said the official.

An FSO executive director reportedly said that the company had decided to conclude the car deal with Daewoo as it had offered the best terms.

"We talked with GM but there was no agreement on the joint venture," he was quoted as having said.

In Romania, Daewoo will construct a car assembly plant with an annual production capacity of 100,000 cars by the end of this year. Its production capacity will be doubled to 200,000 by 1998, a Daewoo official said. Daewoo broke ground for the plant last November.

The plant will begin assembling 1,500-cc Cielos late this year, said Yi Chang-won, manager of the company's public relations department.

The company signed a contract with Romania's biggest carmaker Automobile Craiova to set up a joint venture investing \$360 million in January 1994.

Daewoo will take a 51 percent stake in the plant. It will also produce 200,000 engines and transmissions.

In the Czech Republic, the company took a 34 percent share of the nation's largest truck producing company Avia, in joint takeover along with Australian engine-maker Steyr Co.

Daewoo later bought an additional 16.2 percent share.

To back up the advancement into the newly emerging market, Daewoo has fortified efforts to upgrade tech-

nologies with the aim of being able to produce 1 million cars in factories around the world.

### **Foreign Banks Face Labor-Management Tension**

SK2908033495 Seoul THE KOREA HERALD  
in English 29 Aug 95 pp 8, 12

[By staff reporter Kang Sok-chae]

[FBIS Transcribed Text] Foreign banks operating in Korea are facing bumpy roads in their labor-management negotiations.

Among the foreign banks currently undergoing tough wage negotiations are the First National Bank of Boston, ING Bank, Sanwa Bank of Japan, Chase Manhattan Bank and Citibank.

Usually, wage negotiations at foreign banks here begin in April and end in August, but no agreement has been reached so far this year. And the chances of early settlement are very slim.

In an unusual joint action, most labor unions of foreign banks came out stronger than ever before this year by demanding an average wage increase rate of 30 percent or more, citing their relatively low wage levels compared with those of their local counterparts.

Foreign banks' management, calling the union's demand as "too unreasonable," is showing high-handed attitudes by even boycotting the wage negotiations, while urging the union to come up with a more reasonable wage hike rate.

Of the 52 foreign banks operating in Korea, 38 have their respective labor unions. Two foreign bank unions were first set up in 1970. Currently, 12 banks are embroiled in labor disputes.

"People mistakenly believe that workers at foreign banks are well-paid and their salaries are higher than those of employees at local banks, but an inhouse comparative survey showed it is to the opposite," said Kwon O-hun, head of the Citibank Labor Union.

Kwon, who also chairs the Korean Foreign Banks' Labor Union Association, argues that the association's inhouse survey conducted in April showed that the salaries of foreign bank employees, who are union members, are 30 percent lower than those of local banks which entered the banking industry in the 1980s and 1990s despite the fact that foreign bank profits are two to three times higher than those of local banks.

"Most union members were shocked at the results of the study and they are united stronger than ever before. But what infuriates us is the high-handed attitudes of the management which is even boycotting wage



negotiations themselves, only asking for our one-sided yield," Kwon said.

To the union's 35.8 percent wage increase demand, Kwon said that the Citibank management only reiterates its earlier counterproposal of a 5.6 percent wage hike, showing no signs of additional concessions.

The situations are more or less similar at most foreign bank wage negotiations so far this year.

But foreign bank managers are adamant to union demands.

"The situation is a little bit different this year as most unions have come up with very high, unreasonable wage demands ranging from, in our case, more than 50 percent and in some cases over 100 percent," said Jan Bosma, general manager of the ING Bank Seoul branch. "We refuse and will refuse to negotiate on that basis."

Bosma now chairs the Foreign Bankers Group, whose members are composed of representatives of all foreign bank branches and representative offices in Korea.

The management of the First National Bank of Boston even imposed a partial lockout against its unionized workers last Wednesday.

The bank management, which conducted a lockout two years ago, even introduced the replacement employment system to help minimize its losses, infuriating union members, who have been on partial strike since July 12.

Touched off by the partial lockout and replacement employment, all foreign bank unions are moving to join forces to demonstrate their consolidated power.

They plan to hold a rally to denounce the foreign bank management for its high-handed action in wage negotiations at 6 p.m. today in front of Lotte Department Store. It would be the second massive rally this year.

About 500 to 600 foreign bank union members got together at the same place July 28 to protest against an "inhumane" treatment of a woman employee of the Sanwa Bank of Japan by its top manager.

The Sanwa Bank union has been in full strike since early this month, demanding an official apology from the top manager who the union claims made a brutal act of violence and personal attack on a woman employee. The management flatly denies the allegation.

"The management's action is virtually intended to dwarf our labor activities and to force labor union members, mostly women, to quit their job," said a Sanwa Bank union member.

Most unions, however, are refraining from entering full strikes as it would invite the intervention of the Korean Labor Ministry, as was experienced in 1992.

They also expect the wage negotiations would continue into next year.

#### **Government To Streamline Atomic Energy Industry**

*SK3008021595 Seoul SEOUL SINMUN in Korean*  
30 Aug 95 p 3

[FBIS Translated Text] The ROK Government has decided to restructure the atomic energy industry for a more effective implementation of the light-water reactor project for North Korea and more efficient management of atomic energy technology exports.

According to the Science and Technology Ministry on 29 August, the government will unify the Korea Atomic Energy Research Institute and the standard-style light-water reactor division of the Korea Heavy Industries Corporation, and establish a new company tentatively named Korea Atomic Energy Technology Company with a capital of 10 billion won [\$12.9 million].

The corporation will be a giant atomic reactor designing and manufacturing company similar in scale with Westinghouse and Combustion Engineering of the United States.

The Korea Electric Power Technology Corporation has been in charge of the overall design of atomic power plants, the Korea Atomic Energy Research Institute has designed the reactor system, and the Korea Heavy Industries Corporation has manufactured the reactors and parts. The three have been in delicate conflict over the initiative in supplying the ROK-standard light-water reactors to North Korea and exporting to overseas markets.

#### **Ministry To Regulate Weapons of Mass Destruction**

*SK2908040495 Seoul THE KOREA TIMES in English*  
29 Aug 95 p 8

[FBIS Transcribed Text] Nuclear, bio-chemicals related to mass destructive weapons, and missile trade will be regulated beginning Oct. 1, the Trade, Industry and Energy Ministry announced yesterday.

Individual permission will be replaced by a comprehensive one, meaning approval for export of an item to a country is good for two years.

A ministry official said the government has decided to introduce the control system as a precondition to joining the three non-proliferation regimes of mass destructive weapons, nuclear, bio-chemical weapons and missiles, as well as post-COCOM (Coordinating Committee on



Multilateral Export Countries), which will start this year or early next year.

Now, the government controls exports and imports of weapons-related goods defined by COCOM under the bilateral agreement with the United States signed in 1987, the regime mainly composed of Organization for Economic Cooperation and Development members.

Kim Song-sik of the ministry's Trade Cooperation Division said substance, facilities and technology with which mass destructive nuclear and bio-chemical weapons could be produced and the missiles carrying them are all subject to control.

He explained that the main items are highly-sophisticated semiconductors, optical cable, electronics telephone switching systems, machine tools and new materials. Samsung Electronics, Anam, LG Semicon and some 30 other manufacturers have been exporting weapons-related products.

#### **DLP Officials Arrested on Bribery Charges**

*SK2908031595 Seoul YONHAP in English*  
0113 GMT 29 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 29 (YONHAP) — The Seoul prosecution Monday night arrested a chairman of a Seoul district chapter of the ruling Democratic Liberal Party (DLP) and another DLP official on charges they accepted money in return for promising to nominate another DLP official to be one of the party's candidates in the local elections last June.

The prosecution said it arrested Song Chol-won, 53, chairman of the DLP Songbuk-A district chapter, and his planning officer, O Tae-song, 53, on charges they accepted 130 million won from a person who hoped to run for a seat in the Seoul City Council as a DLP candidate in the June 27 local elections.

The victim was vice chairman of the district chapter O Pyong- chon, 53.

The arrested DLP officials asked O to contribute 200 million won to the DLP district chapter last December after promising to help win a nomination as a DLP candidate.

O gave them 130 million won that same month, according to the prosecution.

However, after he was not nominated as a DLP candidate last June, O asked the chapter chairman to return the money, but Song rejected the request.

Song used most of the money to manage the DLP chapter and to repay a personal debt, the prosecution noted.

Song joined the DLP in September last year after resigning as co- head of an intellectual group called the "Shinmunro Forum."

#### **Lawmaker Denies Reports of Joining DLP**

*SK2508122795 Seoul YONHAP in English*  
1030 GMT 25 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 25 (YONHAP) — Rep. Chong Mong-chun Friday denied some reports that he would soon join the ruling Democratic Liberal Party [DLP].

Speaking through one of his aides, Chong said he had not decided anything about his reported entry into the ruling party.

"I plan to concentrate on winning the right for the country to host the 2002 World Cup at least until next June when the 2002 World Cup cite will be decided," he said.

Chong now serves as the president of the Korea Football Association.

Local reports indicated that now that the government pardoned his father, Hyundai Group founder and Honorary Chairman Chong Chu-yong, election law violation charges, the junior Chong would join the ruling party shortly.

#### **Group Emerges To Fight 'Three Kims'**

*SK3008033195 Seoul THE KOREA HERALD*  
in English 30 Aug 95 pp 2, 11

[FBIS Transcribed Text] When it comes to competition in the political arena, President Kim Yong-sam refuses to be counted merely as one of the three Kims.

He points to the fact that he defeated Kim Tae-chung of the National Congress for New Politics and Kim Chong-pil of the United Liberal Democrats in the 1992 presidential election.

"I'm not in competition with anybody. All competitions are over," said President Kim when he commented recently on news reports on the alleged revival of the three Kims' era.

Nevertheless, the Korean news media are expected to continue their reporting on the three Kims. After all, President Kim heads a political party, the ruling Democratic Liberal Party, like the other two Kims.

In addition, a political alliance is emerging to fight against the three Kims and their parties and promote a generational change in the nation's leadership during the general elections next April and the presidential election in 1997.



Spearheading the anti-three Kims movement is a civic group, the Citizens' Coalition for Political Reform, which is preparing to turn itself into a political party.

At a promoters' rally Monday, the citizens' coalition publicly announced that it will seek to put an end to the Korean politics that has long been dominated by the three Kims.

"Putting an end to such boss politics is our duty and right as a political force," said Chang Ki-pyo, a leading member of the group. "We don't just want the three Kims to vanish into history. We want a new and younger generation of national leaders who can replace them."

Some 910 people from various walks of society constitute the citizens' coalition, which is scheduled to be inaugurated as a political party Sept. 21.

The coalition is joined by other groups in an alliance against the three Kims.

Most notable among them is a group of young men in their 20s and 30s, who are promoting themselves as a political force to compete against the established politics.

"We will form a united front with those forces against the old guard," said a member of the Citizens' Coalition for Political Reform.

One of the most likely candidates for the alliance is the opposition Democratic Party, which has also vowed to repudiate the political role of the three Kims, whom the party described as a stumbling block to a generational change in the nation's politics.

In responding to the growing voices against them, Kim Tae-chung and Kim Chong-pil tried to maintain composure, dismissing the dissident groups' call for a generational change as a political tactic to enter politics. "They say they are advocating the retiring of the three Kims. But it's only a hollow rhetoric from those who wish to enter into the established politics," said a spokesman of the United Liberal Democrats led by Kim Chong-pil.

Political analysts say that the general elections slated for next April may turn out to be a battle ground between the forces who are against the three Kims and those who follow them.

#### **Groups Opposing 'Three Kims' Hold Gatherings**

SK2908073795 Seoul THE KOREA TIMES in English  
29 Aug 95 p 2

[Report by Han Tong-su]

[FBIS Transcribed Text] A nonpartisan political union opposing the three Kims — Kim Yong-sam, Kim Tae-

chung and Kim Chong-pil — set sail in a rally of hundreds of organizers at the Korea Federation of Small Business Building in Yoido yesterday.

The Citizens Coalition for Political Reform, or Chonggaeyon, decided to officially inaugurate a reformist political party on Sept. 21.

The minor opposition Democratic Party [DP] also held a national convention at the Olympic Fencing Gym in Chamsil yesterday to launch a two-chairmen leadership system which will continue until December. The DP made it clear that the new leadership is temporary until the special convention slated for Dec. 14-15.

Both Chonggaeyon and the DP stated they will ally with any political group willing to bring about a generational change in Korean politics, suggesting a possible merger.

Political analysts, however, said it is too early to predict if the two groups will merge since many Chonggaeyon leaders, most of them former dissidents and leading intellectuals, harbor strong antipathy against seasoned politicians in the DP, including Rep. Yi Ki-taek, former DP president.

Yi, in a last-ditch compromise with a rival faction in the DP, gave up his bid to become leader of the party, and instead agreed to introduce a dual leadership system, which political analysts view as a "tactical retreat" aimed at regaining the scepter of the party in the December national convention.

In the convention yesterday, DP delegates approved Rep. Hong Yong-ki, National Assembly vice speaker, and Rep. Pak Il as co-chairmen. Hong, 77, represents the "kudang-pa," the anti-Yi Ki-taek group, while Pak, 68, is a member of Yi's faction.

Yi and Rep. Kim Won-ki, leader of the kudang-pa, were made permanent advisors to the DP, the main opposition party until former leader Kim Tae-chung bolted with 54 district-elected lawmakers three weeks ago.

Two members from each of the factions were named supreme council members. Rep. Kang Chang-song and former DP Chungchongnam-to governor candidate Cho Chung-yon are from the faction loyal to Yi, while Rep. Kim Chong-wan and ex-lawmaker Kim Chong-kil are from kudang-pa, which is close to civic groups seeking a generational change in politics.

The DP also decided to push for an alliance with civic groups opposing the three Kims.

The convention adopted a resolution which excludes the possibility of seeking a merger with Kim Tae-chung's National Congress for New Politics [NCNP]. "The party will not make any move to ally with a



political force which is responsible for the split of the DP," the resolution reads.

In the organizers' rally yesterday, Chonggaeyon decided to seek alliance with political groups, including the DP, which oppose politics dominated by the three Kims and swayed by regional rivalries.

Former deputy-premier Han Wan-sang, Seoul City University president Kim Chin-hyon and paduk (go) master Cho Hon-hyon delivered congratulatory speeches in the rally.

The big names among 926 organizers include former Songgunkwan University president Chang Ul-pyong, former dissident leader Rev. Pak Hyong-kyu, lawyer Hong Song-u, Rev. In Myong-chin, ex-dissident leader Chang Ki-pyo, former Korea University professor Kim Yong-chun, poet Sin Yong-lim, ex-HANKYORE SIN-MUN editor Song Yu-po and Kim Song-su, former patriarch of the Korea Anglican Church.

Also among the organizers, most of them professors and intellectuals representing legal professions, various academic disciplines, cinema, music and fine arts, are Kim Yong-tong, conductor of the Seoul Metropolitan Traditional Chamber Orchestra; Prof. Yu Hong-chun, the writer of a million-seller cultural relic travelogue; and Im Chin-taek, a famous director of plays.

In the rally, Chonggaeyon organizers decided to seek an alliance with a coalition of reformists in their 20s and 30s to overcome the three-Kims era.

Meanwhile, Kim Tae-chung's NCNP yesterday finalized party platforms proclaiming that it will pursue "center-right" policies aimed at benefiting the upper middle and middle class.

The NCNP took a cautious attitude in revising the National Security Law, setting North Korea's abolishing anti-South laws and regulations as a precondition for replacing the security law with a "law for protection of democratic order."

The platforms also stipulate laissez-faire policies for chaebols (conglomerates).

#### **Kim Tae-chung Says Many Try To Join Party**

SK2808134695 Seoul YONHAP in English  
1103 GMT 28 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 28 (YONHAP) — Kim Tae-chung, chairman of inaugural preparatory committee, National Congress for New Politics (NCNP), bragged Monday many people are trying to join his party.

"There are a lot of people wishing to join us but we are not able to accept all of them because of the limited number of our electoral districts available," he said.

While meeting with reporters, Kim said among those who have so far been finally chosen for admission are two to three former cabinet members and Ms. Chang Pyong-hye, daughter of one-time Prime Minister Chang Taek-sang.

He said Chang is now serving as head of the Japan branch of Maryland University.

Others include Sin Yong-kyun, president of the Woman Voters Federation; Yu Chae-kon, president of Kyongwon Junior College; and an incumbent prosecutor and a woman judge, according to Kim.

Asked if his party's platform isn't too conservative, Kim said it was not due to himself. "The people are turning conservative and we had to make our party policy direction in line with the flow of times," he said.

#### **Article Views Kim Tae-chung Ideological Change**

SK2908040095 Seoul THE KOREA TIMES in English  
29 Aug 95 p 2

[FBIS Transcribed Text] Kim Tae-chung, now burning with ambition to become the president of the nation in the 1997 elections, appears to have ideologically inched from progressivism toward conservatism.

According to the plank of the National Congress for New Politics [NCNP], to be inaugurated next week by Kim, the new party plans to retain the current National Security Law.

In the finalized policies of the NCNP, the law is to be kept up as long as there is no change in the charter of North Korea's ruling Workers' Party and the Criminal Code.

Under the charter and the Criminal Code, the South Korean government is totally negated as a political entity, much less a state.

The National Security Law aims at cracking down on North Korean subversive moves against the South Korean government.

But it has long been the target of criticism by oppositionists, including Kim and the so-called dissident forces.

They have demanded the repeal of the law, claiming undemocratic elements and abuses for political purposes by the ruling camp.



Kim's seeming change in his ideological conviction is also found in the NCNP's advocacy of the nation's big business groups, or chaebols.

Under the NCNP plank, chaebols are to be given free rein on their business activities, unthinkable from Kim's earlier position.

No doubt, the NCNP plank gives top priority to the development of medium-sized businesses, dovetailing well with Kim's position of the past. But giving a free hand to chaebols is different. It is like spurring a horse which is already galloping well on its way.

Kim has been criticizing the government for giving chaebols too many favors. Chaebols have been saying that they are not seeking government favors.

They are just wanting to be free of government control.

Kim's stand on the chaebol was critical rather than supportive, hurling a barrage of criticism at what he calls government-chaebol collusions.

Judging from the NCNP plank, Kim has changed. But he has not produced a plausible explanation on the reason for the change in his ideological line.

Of course, there is criticism concerning his change of position. Critics claim he has not changed. And if he has, it is only to win the hearts of the middle class—traditionally center right on the ideological scale, if not ultra right—with forthcoming elections in mind.

#### **NCNP Spokesman Resigns From National Assembly**

*SK3008133695 Seoul YONHAP in English  
1137 GMT 30 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 30 (YONHAP) — Pak Chi-won, spokesman for the National Congress for New Politics (NCNP), Wednesday resigned as a member of the National Assembly.

Pak called on assembly speaker Hwang Nak-chu to tender his resignation. Later he also told the Democratic Party he was bolting from the party.

Pak, elected to the assembly on the Democratic Party ticket under the National Representation System, said he resigned as lawmaker because he cannot properly serve as NCNP spokesman while being a solon of the rival Democratic Party.

Unlike popularly elected solons, those chosen under the National Representation System, lose their assembly membership automatically once they bolt from the party on the ticket of which they were elected.

However, one can save one's floor seat when one is expelled from his party.

It was under the circumstances that the NCNP has time and again asked the Democratic Party to expel those solons chosen under the National Representation System who plan to join the NCNP.

But, the Democratic Party rejects the request as it cannot do anything that makes its "archrival" happy.

The party likes to see pro-NCNP national representation solons numbering about a dozen leave the party on their own and lose their floor seats.

The seat left by resigning Pak Chi-won is to be taken over by Pae Ki-son, one of the trusted aides of Kim Tae-chung.

Pae, born in muan, South Cholla Province, served as deputy chief secretary to Kim Tae-chung during his past presidential candidacy, and also as chief secretary to Cho Sun during his recent Seoul mayoral electioneering.

#### **Promoters of New Party Choose Committee Chairmen**

*SK2808132495 Seoul YONHAP in English  
1036 GMT 28 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 28 (YONHAP) — A promoters' meeting of the Citizens Alliance for Political Renovation was held at the Industrial Hall on Yoido Monday afternoon.

The meeting chose Rev. Pak Hyong-kyu and lawyer Hong Sung-u as co-inaugural preparatory committee chairmen, resolving to inaugurate the new party on Sept. 21 as planned.

In a congratulatory speech, Han Wan-sang, president of Radio- Correspondence University, said that to make a reformative party a success, Cold-War residues should be liquidated and reformative programs should be promoted in a way that dispels people's grievances.

Chang Ul-pyong, ex-president of Songgyunkwan University who had been one of co-leaders of the alliance, abruptly resigned as co-leader Monday morning.

His bolting, a source said, was apparently because the line-up of 910 promoters chosen failed to meet his expectations.

In a manifesto adopted at the meeting, the promoters said a time has come when a new political force should be pooled to improve the quality of the people's lives without depending on the existing political sphere.



**Professors Oppose Decision on Kwangju**

SK3008074295 Seoul YONHAP in English  
0615 GMT 30 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 30 (YONHAP) — The ever-intensifying moves by a number of professors protesting the prosecution's decision not to indict those involved in the armed suppression of the May 18, 1980, Kwangju democratization movement are creating a sensation, thus building enough momentum that the general public in the country will step up their demand for the government's reexamination of the controversial issue.

The professors in opposition to the prosecution's decision were further highlighted Tuesday [29 August] when a large number of prestigious Seoul National University (SNU) faculty members joined in their protest.

Timed with the opening of the fall semester, the professors' activities may touch off a new issue on university campuses during the latter half of the year and could intensify resistance against the prosecution's decision.

In a statement, 221 SNU professors demanded that those responsible for the bloody suppression of the Kwangju uprising be punished. "The prosecution, deciding not to indict those involved in the bloody suppression of the May 18 uprising, based their decision on an anachronistic legal interpretation that 'no successful coup d'etat can be punished,' has not only infringed upon the rights of the judiciary, but also legalized the coup d'etat of the military leaders who disrupted constitutional order," the scholars criticized.

These SNU professors who have signed the protest statement far outnumber the 122 SNU faculty who signed a statement opposing former President Chon Tu-hwan's declaration concerning the constitution on April 13, 1987. In addition, among the professors who signed are many senior scholars including college deans.

Kicked off on July 31 by 131 Korea university professors, the collective signature drive in protest of the prosecution's decision has thus far gained the support of over 4,000 professors at more than 80 colleges and universities across the country.

The professors' actions, the biggest of their kind since academics demonstrated on the streets in support of the April 19, 1960, student uprising, have given rise to no small repercussions in conjunction with the denunciation rallies and demonstrations staged by dissidents, civic groups and students.

In addition to their announcement of the opposition statement, the professors have protested through such

positive methods as street demonstrations, sit-ins and by submitting written opinions and petitions to the National Assembly and the Constitutional Court.

Following a rally in Yoido, southwestern Seoul, over 100 professors on July 24 submitted petitions to the National Assembly regarding "a bill governing investigations into the truth of the Kwangju democratization movement" and "a bill governing exclusions to the application of statutes of limitations."

A group of law professors visited the Constitutional Court on Aug. 25 to submit "a written opinion on constitutional appeals regarding the May 18 uprising."

The professors maintained in their opinion that, "The constitution orders the prosecution to prosecute and punish people involved in an insurrection without exception... Under constitutional order with sovereignty residing in the citizens, no successful coup d'etat can exist, and therefore the prosecution's decision clearing those involved in the armed suppression of the uprising is unconstitutional."

**Central Region Suffering From 'Severe Drought'**

SK2908034095 Seoul THE KOREA TIMES in English  
29 Aug 95 p 3

[FBIS Transcribed Text] Contrary to the heavy rains pounding the central part of the country last week, southeastern region of the country hasn't seen rain for several months.

Suffering a severe drought, residents of the barren region were prompted to hold rain rituals before a pig's head in a desperate attempt to coax rain from the sky.

Unlike Suwon City, near Seoul, which was hit with 941mm of precipitation during the month of August, southern cities like Pohang, Ulsan, Mokpo, and Pusan marked as little as 41.9mm, 75.2mm, 28.2mm, and 60.8mm during the last four days, respectively, which forced the implementation of a water rationing plan in Kyongju City, the ancient capital city of Silla Kingdom.

The residents were looking forward to having some rain from Typhoon Janis; however, the drought continued as Janis missed the region.

"Why such unfairness, living in the same country under the same sky? There will be nothing for us to want if the rainfalls of Seoul were switched with the sun of Kyongju," said a farmer with a sign as he watched TV on the overflowing central region of the nation.

Since the rain kept missing the region, leading to insufficient water for drinking and industrial purposes, 200 to 400mm of more rains are needed to completely



relieve the drought this year, which is not likely to happen for the time-being since sunny days are expected for a while, according to an official of the Korea Meteorological Administration.

The rice paddies have already dried and cracked, and plants are dehydrated, leading to a disastrous crop this year.

#### **BAI Seeks Punitive Steps Against 13 Officials**

*SK3008104795 Seoul YONHAP in English*  
0820 GMT 30 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 30 (YONHAP) — The Board of Audit and Inspection (BAI), which has been conducting a fact-finding inspection since Aug. 21 of the case involving stolen 10,000-won bank notes at the Bank of Korea [BOK]'s Pusan branch, decided Wednesday to demand the central bank and the Finance-Economy Ministry take punitive steps, including dismissal, against 13 BOK and ministry officials involved.

The BAI made the decision after it discovered during its nine-day investigation that BOK's head office has

systematically covered up the theft case of the damaged bank notes by a former BOK employee at the Pusan branch.

The BOK officials who had been under investigation include Yi Chang-kyu, auditor, Mun Hak-mo, managing director for note issuing, Song Pyong-ik, note-issuing manager, and Kim Kwan-yong, chief auditing officer.

The BAI confirmed that they knew the contents of the first report from the BOK Pusan branch, which classified the missing 72,600,000-won notes as stolen, but did not report the theft to the authorities.

In addition, Chong Tong-su, ex-auditor of the then-Finance Ministry, was included among the three ministry officials who the BAI demanded be punished.

Meanwhile, ex-BOK Governor Kim Myong-ho was known to have heard of the case for first time on April 27 from Kang Hwa-chung, vice Pusan branch manager. But he had not been briefed about the missing 72,600,000 won or about how the notes were stolen, the BAI quoted Kim as insisting.



## Brunei, Malaysia & Singapore

### Malaysia

#### **Mahathir: U.S. Bosnia Policy Linked to Polls**

*BK3008075695 Kuala Lumpur THE STAR in English  
30 Aug 95*

[Received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The United States' peace initiative on Bosnia-Herzegovina [B-H] has more bearing on next year's U.S. presidential elections rather than the plight of the Bosnians, said Datuk Sri Dr. Mahathir Mohamed.

The Prime Minister said the United States was trying to rush its peace initiative which appears to offer "absolutely nothing" for the Bosnians.

"The (Richard) Holbrooke peace plan is really more connected to the elections in America, not the fate of the Bosnians," he told newsmen yesterday after launching the RM [Malaysian ringgit] 20.09 billion Putrajaya project in Sepang.

U.S. envoy Richard Holbrooke will lead a U.S. team to meet Bosnian President Alija Izetbegovic in Paris in their first substantive discussions.

Details of the peace plan have not been revealed, but Holbrooke had said that it would preserve Bosnia within its current internationally recognised borders while allowing for separate Bosnian government and separatist Serb administrations.

President Bill Clinton faces an uphill task in winning a second term due to domestic problems and his indecisiveness.

Dr. Mahathir also said the Bosnians may have no other option but to continue fighting.

He was commenting on a statement by Bosnian army commander General Rasim Delic, who dismissed the U.S. initiative as "incoherent".

#### **Mahathir Criticizes UN, NATO on Bosnia Policy**

*BK2908135295 Kuala Lumpur RTM Television  
Network 1 in Malay 1200 GMT 29 Aug 95*

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed has accused the United Nations and the North Atlantic Treaty Organization of participating in the Serb massacre of Bosnians. The prime minister was commenting on yesterday's Serb attack, which killed 35 people, stressing that the United Nations plays no role in Bosnia because its personnel know only how to protect themselves, not the Bosnian people.

[Begin Mahathir recording, in English] I suspect that the reason why they do not want to do anything while the Serbs kill the Bosnians is to force the Bosnian Government to accept this new Holbrooke peace plan. If the Bosnians do not accept, then they will allow the Serbs to kill more Bosnians. So until in the end of course perhaps there will be no more Bosnians and solve the problem, but if there are Bosnians who still do not want to accept the so-called peace terms that are proposed by the West, then the West will allow the Bosnian Serbs to kill more Bosnians. This is what is happening. [end recording]

The prime minister also described the current situation as being dominated by new imperialists. Big and rich countries can still veto proposals of poor countries.

[Begin Mahathir recording, in English] If we resign from the United Nations, it does not help us also. So poor countries, weak countries are still being manipulated although we are supposed to be independent, but actually many countries are not even independent enough to be able to say what they think. [end recording]

#### **Foreign Minister Reaffirms Stand on Bosnia**

*BK3008092095 Kuala Lumpur Voice of Malaysia  
in English 0800 GMT 30 Aug 95*

[FBIS Transcribed Text] Malaysia has not faced any retaliation for its firm stand on the issue of Bosnia-Herzegovina. Foreign Minister Datuk Abdullah Haji Ahmad Badawi said her action did not invite retaliation from any party. He said Malaysia remains firm in its stand that the arms embargo on Bosnia should be lifted to enable the Bosnians to defend themselves. It should be recognized that Bosnia-Herzegovina has the right to protect its sovereignty and to ask for arms aid from other countries.

Apart from working closely with the Organization of Islamic Conference, OIC, to seek justice for Bosnia, Malaysia will continue with similar efforts through other international bodies like ASEAN and the Nonaligned Movement. Datuk Abdullah said the OIC stand on the Balkan crisis was acknowledged to be the most vocal among international bodies. This was evident from the OIC Contact Group's last meeting in Geneva, and this firmness would be maintained at its follow-up meeting scheduled to be held in Kuala Lumpur next month. The Contact Group declared the arms embargo in Bosnia as invalid. However, he said he could not give a picture of a formula which will be agreed to at the meeting.



**Anwar Reports 'All-Time High' Economic Growth**  
BK3008105595 Kuala Lumpur THE STAR in English  
30 Aug 95

[Report by Hah Foong Lian — received via Internet]

[FBIS Transcribed Text] Seremban — Malaysia's economic growth has recorded an all-time high of 9.5 per cent during the first six months of the year, said Deputy Prime Minister Datuk Sri Anwar Ibrahim.

"The record growth is one which we have not seen in the last eight years," he said yesterday when opening the Malaysian-British joint venture Cleveland EON [National Automobile Distributor] Asia Sdn Bhd factory.

He said the nation's economic growth had also surpassed the eight per cent estimate of the Treasury and Bank Negara [Central Bank].

Last year, growth was estimated at 8.5 per cent but the figure actually hit 9.2 per cent, he said.

The high growth was, among others, due to robust growth in the manufacturing sector at 14.9 per cent, followed by the services sector, he said.

He added that the economic growth reflected the confidence of foreign and domestic investors.

Anwar said the country should now be addressing the issue of how to sustain the growth.

However, he said such growth also brought about some problems which the country was now experiencing such as inflation and shortage of skilled labour.

Describing them as problems of success, Anwar said it meant that the Government must be more alert in its efforts to combat such problems and take measures to ensure that the young would acquire more skills.

**Minister Says APEC Straying From Objectives**

BK2908064695 Kuala Lumpur THE STAR in English  
29 Aug 95

[Received via Internet]

[FBIS Transcribed Text] Kuala Lumpur: The Asia-Pacific Economic Co-operation (Apec) forum has departed from its original purpose and Malaysia is unhappy that it is being driven by some member countries to adopt a political agenda.

International Trade and Industry Minister Datuk Sri Rafidah Aziz said when Apec was first mooted, Malaysia joined the forum because it was meant to set out programmes for the private sector.

"We wanted to have programmes which would have spin-offs for the private sector and to have their input

into the projects," she said during a question-and-answer session at the Fourth Asia-Pacific Conference of Management Consultants.

Rafidah said initially governments were to open up doors to the private sector. "Then somebody had nice ideas of making Apec a government thing and wanted to push it into a political agenda."

Rafidah said Apec no longer had a purely economic agenda but had become a political-economic agenda.

**Commentary Hails Mahathir's South Africa Visit**

BK2908142095 Kuala Lumpur Voice of Malaysia  
in English 0810 GMT 29 Aug 95

[Station commentary]

[FBIS Transcribed Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed's just-ended visit to South Africa was nothing less than a huge success. No less than 15 agreements with a potential investments in excess of 5.8 billion ringgit were signed between the Malaysian and South African parties. For the new democratic nation which lags behind in many areas, the role Malaysia is playing in its development is highly appreciated. Many business opportunities have been identified, ranging from property development and construction to financial services to the export of foods. Surely now all this would translate to a substantial increase in trade and investment linkages between the two countries.

In the first four months of this year, South Africa's trade with Malaysia registered the fastest growth outstripping that of its traditional partners. Yet there is further room for growth. Credit should go to Dr. Mahathir Mohamed for paving the way for the Malaysian private sector to look seriously at investing in South Africa.

It is also heartwarming to note that the positive reception to Malaysian businessmen. As South Africa's (?deputy president) said, it was due to the fact that Malaysians are going to South Africa for the long haul and not to make a quick killing. Dr. Mahathir had given a stern reminder to Malaysians to not only look to take, but give as much as possible in return. This is important for the nation is still only at a take-off point towards economic development. It needs all the help it can get from Malaysia to help it reinforce its economy. This is important, for economic development goes hand in hand with political stability. And previously, political instability and the dreaded apartheid regime had stood in the way of Africa's economic success. Moreover, the shackles of the apartheid regime are hard to break, especially when it comes to distributing the economic pie equitably.



The challenges for South Africa are clear. Besides improving the economy, efforts need to be taken to (?decentralize) the economy. To this end, Malaysia has done much in helping South Africans in training in administration and entrepreneurship. There is this urgent need to assist South Africa to move forward in all aspects. The limitations imposed on the major sections of the population need to be removed and an investor-friendly environment has to be nurtured to enhance the business climate. This will not be easy. President Nelson Mandela's new government is fully aware of this. Nevertheless, it is committed to see the aspirations of the people to be free are not misplaced. It is no use achieving democratic freedom if the economy continues to be in shambles, as evident in other parts of Africa.

The road ahead is not without its perils, but South Africa can taste economic success soon enough with the right strategies in place. It has done well so far and there is no reason why it cannot continue to tread on this right path for good.

### Singapore

#### Lee Kuan Yew Comments on PRC-U.S. Relations

BK2908141395 Singapore Radio Corporation of Singapore in English 1300 GMT 29 Aug 95

[FBIS Transcribed Text] Senior Minister Lee Kuan Yew says Sino-U.S. relations are in need of confidence building measures and this will take time as there is a loss of confidence on the Chinese side in any undertaking that the U.S. Government has given them. They believed it was U.S. policy to block or slow down China's economic progress and growth as a power, but Mr. Lee does not think the U.S. has such a policy. Speaking to Singapore reporters at the end of his visit to China, Mr. Lee said President Jiang Zemin and Premier Li Peng believed they could not rely on the U.S. to abide by the three U.S.-China joint declarations. In the declarations, the U.S. accepted Taiwan as a part of China and said it would observe a one-China policy.

The senior minister, who was also asked whether he might mediate between China and Taiwan, pointed out that the Chinese side had made it clear that the issue was a family matter, and family means China — the mainland, Taiwan, Hong Kong, Macau. Singapore is not family.

Turning to Singapore, Mr. Lee said to stay on top it needs to produce good leaders and government, a good administration, and top quality entrepreneurs. He said the country would still go down if it had a first class administration and entrepreneurs but a dud government. Mr. Lee likens the efforts to stay on top to a marathon

never to be finished. After winning one lap, one has to fight for his position in the next.

#### Lee Reviews PRC-Taiwan Issue

OW3008090395 Tokyo KYODO in English  
0837 GMT 30 Aug 95

[FBIS Transcribed Text] Singapore, Aug. 30 KYODO — Chinese Vice Premier Li Lanqing has said that in certain circumstances China would have to settle the Taiwan issue by force, Singaporean Senior Minister Lee Kuan Yew was quoted as saying by Singaporean newspapers on Wednesday [30 August].

Lee, who met with China's top leaders during his visit there last week, said in an interview with journalists at the end of his trip on Sunday that it is better for China to decide on the matter after the next U.S. Presidential election in the fall of next year, when the situation would be clearer.

It will take time, and not just one or two meetings, to restore U.S.-China ties to normalcy, Lee said, because China has lost confidence in the U.S. Government after Taiwan President Li Teng-hui was allowed to visit the United States just after U.S. Secretary of State Warren Christopher assured China it would not happen.

Lee said both President Jiang Zemin and Premier Li Peng, whom he met with during two separate dinners, "had the feeling that it was U.S. policy to contain China, to block or slow down its economic progress and its growth as a power."

But Lee told Chinese leaders he does not agree with the view and that he believes "there was no settled policy." He also suggested it would be premature for China to act on the basis that Washington was already pursuing an antagonistic policy, which would be bad for Asia.

Lee said China has made it clear that the Taiwan issue is a "family matter" and denied speculation he had been playing a mediating role between the two sides.

"I have in the past, at the request of one or both sides, conveyed their views to each other, but I have not mediated as such. Any compromise to resolve the difficulties, they have made themselves," he said.

He also said it is unlikely the United States would involve itself in a civil war between Mainland China and Taiwan.

Regarding the effect of Lee Teng-hui's visit to the United States on U.S.-China ties, Singapore's Lee said, "the problem is a loss of confidence in the Chinese side in any undertaking that the U.S. Government has given them. It will need time to reestablish this confidence."



China's leaders recounted to Lee a Chinese saying which means, "words must be reliable, and action must bring result."

Lee said Chinese leaders believe "they could not rely on the U.S. Government to abide by" the three joint Sino-U.S. declarations on Taiwan, in which the United States accepted that Taiwan is a part of China and that the U.S. will observe a one-China policy.

Lee said he does not agree that the United States had changed its policy on China because "under the American system, such a major policy change could not be decided without an extensive debate in the U.S. media and in Congress, as was the case with the containment policy vis-a-vis the Soviet Union."

Lee, rating China-U.S. ties as "somewhere between fair and good" on a scale from bad to excellent, expressed optimism that "both China and the United States do not want a breakdown in relations because it will be costly and unpredictable for both."

Lee also commented on the joint project initiated by the Chinese and Singaporean governments to build an industrial township in Suzhou, Jiangsu Province.

He said the industrial park must depend not on low prices but on high quality of service, secure water and power supplies and a supportive business environment in order to compete with other industrial parks that are springing up in other parts of China and Asia.

### Cambodia

#### Ranariddh Reports on 'Vital Issues'

*BK2908133395 Phnom Penh PHNOM PENH POST in English 25 Aug-7 Sep 95 pp 8, 9*

["Full text" of "Vital Issues Addressed by H.R.H Samdech Krompreah Norodom Ranariddh, First Prime Minister of The Royal Government of The Kingdom of Cambodia vis-a-vis the Current Situation in the Country"]

[FBIS Transcribed Text] Some of the national and international press continue to write critical and unfair articles about the Royal Government and its leaders.

Without neither wanting to be involved in the controversy, nor answer to critics, I would like to give my personal opinion to (Khmers and foreigners) on some vital issues of the current situation in Cambodia.

#### Environment

The Royal Government is very concerned with the state of environment vis-a-vis the deforestation, preservation of existing forest cover, exploitation of minerals and other resources as well as general environmental issues.

On the issue of deforestation, the Royal Government has adopted firm measures to deal with illegal felling of trees, export and sales. To emphasize this, the Royal Government, together with the Royal Cambodian Armed Forces [RCAF] has resorted to armed intervention to put a complete stop in export of logs and timber. Only internal processing of wood is allowed and this too is limited to such activities like plywood factories and furniture or finished value-added products.

There is no discriminate issuance of logging license except to those who has expertise and trackrecords in re-forestation and regeneration of cut forests. This way, much needed revenue is generated while at the same time, ensuring that our forests are regenerated.

#### Corruption

Corruption like prostitution, is as old as mankind itself. Cambodia is no exception and we have not denied the existence of corruption in our society. However, instead of just admitting the existence of corruption, the Royal Government is taking concerted steps to tackle the issue through harsh but legislative and economic front.

The only way at the moment to reduce corruption and unhealthy practices is through improving the quality of life of our people, especially those in the administration where wages are low. With the onset of the government's privatization exercises, Build-Operate-Transfer measures as well as influx of investments, the economic front is one area where the tide is slowly changing from that of despondency to one of optimism.

The investment law, promulgated in August 1994 has seen the influx of more than US\$2.5 billion in investment, generating or creating almost 40,000 jobs. That means that the lives of about 40,000 people have been gradually improving over the months. Such investments and employment opportunities are in the pipeline and once these opportunities are being used then, the employment will have increased tremendously.

The end result is better quality of life and better socio-economic environment, thus contributing towards social and political stability which in turn lead to security stability and most important of all, reduce the need for those in administration to be corrupted.

The Kingdom of Cambodia is still learning to walk. Within the 20 months it has been in power, it has achieved tremendous successes. It would be incredible for anyone to demand or insist that sweeping changes be done or achieved when it is daunting task undo what more than 20 years of disorder has done. That is the reality.



### Democracy

Democracy means food for the people's stomach, shelter, education, medical facilities and basic amenities and the freedom to move freely. This is democracy in the Cambodian sense. It is easy to preach or advocate democracy when one has a full stomach, is living comfortably in a fully air-conditioned villa or mansion. But what about the poor rural people. The farmers who till the land for the day so that they will have food for their stomachs at the end of the day.

To them, and there are millions like them in the Kingdom of Cambodia, democracy is just a phrase to be talked about in idle gossip. It does not ensure food for their stomach nor an end to their plight.

The people of Cambodia have undergone much suffering. As a result, the attitude and basic principles and necessities of life have also changed, as with their perception of their needs and desires. Given this situation, discipline is more essential in our society than democracy, though they have a need of both.

When the rural poor people have sufficient food, shelter, education and basic amenities, then democracy can be preached and installed in abundance. Not now when there are many elements within our society, notably the Khmer Rouge to take advantage of the democracy issue and turn the country into another killing field.

Preachers of democracy must be aware that they would not be able to speak publicly and openly without fear or favor if the country had no democracy or human rights. It is these people's rights to speak freely and it is the Royal Government's right to ensure that security is stabilized and enhanced. What is one person's democratic and human rights, can be another man's poison. It is also ludicrous that there are suggestions of Cambodia being undemocratic when these very derogators sit in comfortable studios in London, Paris or New York and talk about absence of democracy or human rights when they have hardly set foot in the most remote commune in the country.

The very thought of this could be fearful to them, but such is the facts of life as it is easier to talk about such things like democracy, human rights and freedom when all of these never existed during, in particular, the Pol Pot regime. What an irony. Pol Pot talked about elimination of human rights and promised the world to the peasants who took up arms to fight for their beliefs and die for it. What happened? The preachers of such ideals turned out to be nothing less than a mass murderer whose repentance, if any, would never wash the anguish of the Cambodian people for generations to come. In

fact, such ideals almost saw Cambodians being wiped out of the face of the earth. Is this what you want?

### Investments

There have been allegations that Cambodia has sold itself to Malaysia. Is it morally or legally wrong for Cambodia to turn towards friendly nations who have undergone similar pasts or something close to that? Where are the Overseas Khmers who preach about loyalty, nationalism and reunification? Some of them are in a position to do something about changing the way or quality of life of Cambodians. But they are not forthcoming. Instead, they talk and critics but do not do anything.

We Khmers, must be united in our war against poverty and others. Our disunity saw us on the verge of becoming extinct. So let us all work together as Khmers to relive the glories of the Angkor era where unity saw the construction of many wonders in the modern world. Malaysians are here as they are friends indeed. It is wrong to say that Cambodia is sold to them as there are other investors, from the United States, Europe, Australia, Asia and Canada who have invested in Cambodia. What about these investors? Are they condoning a corrupt government and country or are they striving to help Cambodians regain their footing and ensure their future?

### The Military

The Royal Cambodia Armed Forces is a military outfit that has unified under the Royal Army Umbrella. Prior to the general elections of 1993, the three components of the unified army were fighting one another or together against another. As such, when an army under the former socialist system comes under the democratic system, there are bound to be black sheep. Thus, allegations leading to corruption and indiscipline. The Royal Government is striving hard to resolve these issues. It started by reducing the number of generals from more than 1,800 to less than 200. This has already been implemented successfully without any social or security problem.

The second step is to reform the armed forces and this calls the reduction of the total strength from the current 130,000 to less than 70,000. This exercise will eliminate the existence of ghost soldiers and increase discipline and professionalism as the government would be in a better position to take its armed forces. This is a prelude to better professionalism and instances of indiscipline.

One must be aware that without the existence of what some call "rag-tag army", the Kingdom would have been lost to the predators of genocide once again. The



transition from a communist army and guerrilla factions into a unified armed force is never an easy one but we will prevail.

The Royal Government has the support of the RCAF as proven when they remained neutral and supportive of the legally elected Royal Government during the failed coup of July 1994.

#### **Freedom of the Press**

Cambodia has at least 50 electronic and print media in operation in various forms. Is this not a sign and evidence of a free press? Free press does not mean that there must not be regulations. Journalists must be self-regulatory and the Western brand of democracy and freedom of the press is not applicable to Cambodia. The years of war has seen the reduction in the level of intellectualism and understanding capacity of the people. A rowdy press which has got no sense of truths and relies only on sensationalism is dangerous for the socio-economic, political and security stability of Cambodia. Hence the need for the press law as journalists have proven in the past that they are easy prey to manipulation and force and they are their own worst enemies.

#### **Unity and Coalition Government**

Many have questioned the need for a coalition government and power sharing when the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] had won the general elections. It had won the elections but not the majority it needs. The alternative choice is reverting to the dark ages of civil war. The Coalition Government with members working together under the unified umbrella of the National Assembly and the wisdom of His Majesty the King, the Father of the Nation, are the country's best hopes at the moment until the next elections. So let us all wait for the next elections in 1998 instead of wrecking the hard-won gains of the Paris Peace Accords.

If we were to do this, the fruits of victory will taste like ashes in our mouths as we will be doomed. Cambodians must unite, no matter where they are or who they are. It is up to us Khmers to save the nation and not leave it to us as Khmers to destroy it.

We must win the battle against poverty, disunity and non-reconciliation. Wherever we are, we are Khmers and we must not forget our past glory and history, as history has proven over the years, to be a partner in a crime against our nation and our Khmer people.

#### **Immigration**

The Kingdom of Cambodia shares a common border, stretching several thousand kilometers with three neighboring countries, namely Thailand, Lao PDR and Vietnam. Though the Immigration law has already been passed by the National Assembly, this has to be complemented by the Nationality law which is currently being drafted. There is no question of the Royal Government not wanting to implement the Immigration law.

We do not have the resources nor the means to protect and close our borders to infiltration or illegal migration. Where there are official check-points, we have succeeded in turning back thousands of illegal migrants monthly. However, there are still loopholes, given the terrain and the long and porous border and illegal migration will still take place.

In this respect, the Kingdom of Cambodia is no exception or different than the United States where despite strict vigilance, thousands of Mexicans still manage to cross into the United States illegally.

#### **Logging**

Many have questioned the legality or wisdom of awarding logging contracts to one company in the face of logging ban being enforced and strictly executed. The contract awarded to Samling Corporation will not see a single tree being exported out of the country. Instead, there will be numerous wood processing factories which is guaranteed to create up to 40,000 jobs as well as to ensure the construction of numerous infrastructure and amenities.

Imagine schools being constructed, the construction of at least 27 bridges hundreds of kilometers from Snoul to Chhloung up to Mondulkiri and thus opening up Mondulkiri and other facilities all being created entirely by private funds. That is the contract with Samling Corporation which has been awarded an internationally recognized certificate for its reforestation techniques and strict adherence towards the protection of the environment.

As the Kingdom of Cambodia is a member of the United Nations and a member of the International Timber organization, it has to adhere strictly to the conditions laid down by the organization. This also ensures that the logging concession winner does not cut less than at least 30-year-old trees with the added condition of cutting limited trees in a hectare, and replants the area. In addition to this, as security, the concession winner also has to deposit its funds with the National Bank to ensure compliance. Or else, the Royal Government will use these funds to undertake reforestation.



In fact, the Khmer Rouge have cut down more trees and have virtually stripped the areas under their control bare of all trees, big and small and export them to a neighboring country to fuel their guerrilla warfare. This is the issue. Not the Royal Government awarding contracts for logging.

### **The Khmer Rouge**

Since the third quarter of 1994, more than 15,000 Khmer Rouge, comprising cadres, fighters and their families have defected to the Royal Government. Where the fighters alone had defected as in previous occasions, now they return to the path of the government in entire families and possessions. These defections have been to a large extent because of the Royal Government's efforts in rural development and providing the Khmer Rouge families with a new life. It also offered the fighters a choice to join the RCAF or just return to civilian life.

The defectors have been supported by external funds and humanitarian aid and the government itself is trying its best to look after them with whatever means are at its disposal. The defections are also because of the Noble Appeal made by His Majesty King Norodom Sihanouk who has called for peace and reconciliation.

The time for hatred is past but the Royal Government cannot continue to wage battle against those Khmer Rouge still in the jungle as they (Khmer Rouge) continue to destroy property and extinguish lives and these are indirectly being fueled by some politicians who champion for the human rights of the Khmer Rouge, forgetting conveniently that the Khmer Rouge had killed millions of Khmers and continue to kill Khmers. Imagine Khmers killing Khmers.

### **Casino**

Many have questioned the Royal Government's decision to award a Casino License. This is not factual.

The Royal Government awarded a contract, based on the results of an International Tender exercise to a Malaysian organization for a comprehensive development project in the Sihanoukville region.

The tender package is valued a US\$1.3 billion. The project entails the following:

- 1) Construction of a 4-lane highway
- 2) Electricity generation and distribution
- 3) Water supply and distribution
- 4) Golf Course
- 5) Resorts
- 6) Marina
- 7) Hotels

8) Telecommunications

9) Industrial and residential zones

10) Upgrading and rehabilitation for the airport at Sihanoukville to meet international arrivals and transforming the Sihanoukville airport into the second Air Gateway to Cambodia.

In all these, the Casino only comprises 10 percent of the overall project and this is designed not to corrupt the Cambodians but to generate much needed foreign exchange to develop other parts of the country.

### **Joint-Prospecting of Oil Reserves**

Many have questioned the wisdom of sharing our oil reserves proceeds with Thailand. They are not justified. However, given the fact that the World Court has yet to rule on the territorial integration or boundaries of overlapping sea waters, the said joint prospecting and revenue split is the best solution, short of taking on an armed conflict.

It is better to share the estimated US\$700 million in petroleum revenue with Thailand rather than not getting any single cent out of it if the dispute went unresolved or headed towards armed confrontation. We can neither afford nor have the capacity to take on such a confrontation, hence the need for mediation and concessions for common benefits.

### **Sam Rangsi Ouster From FUNCINPEC and National Assembly**

Sam Rangsi had been given ample warnings, friendly lectures and gentle persuasions to mend his wayward ways and toe the FUNCINPEC Party line. We must not forget that the Royal Government is a coalition government. As such, FUNCINPEC Party, members must resolve any issues within the party apparatus and not fight it in public, giving unwarranted advantages to undesirable elements.

In any political organization, party loyalty and allegiance to the leadership, especially the president, is a pre-requisite towards party unity and stability. Disloyalty, resorting to blatant lies and demagoguery to further enhance one's career is not within the interest of the party or of the nation. As for expellation from the National Assembly, it is FUNCINPEC's right under UNTAC Law and the internal regulations of the National Assembly which is a sovereign and independent organization.

Neither the prime minister nor the Royal Government can interfere with the activities of the National Assembly. It is a sovereign organization.

Phnom Penh, 3 August, 1995



**'Dangerous Departure' in Commitment to Democracy**

*BK2908125195 Phnom Penh PHNOM PENH POST in English 25 Aug-7 Sep 95 pp 1, 9*

[FBIS Transcribed Text] Prince Norodom Ranariddh's defense of the 'food-first-democracy-later' concept signaled a dangerous departure from the government's commitment to uphold democratic values, according to the Khmer Institute of Democracy (KID).

"This statement has departed from what our leaders agreed upon in 1991, 1992 and 1993 in the forms of the Paris Peace Agreements, the International Covenant and Convention on Human Rights and our Constitution," KID president Dr Lau Monghay told the Post.

"I may say that this is a dangerous departure, and for Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], it's quite a departure from what its founder-leader (then Prince Norodom Sihanouk) stated in 1982."

Monghay was responding to an eight-page statement issued by the First Prime Minister on Aug 3 addressing a wide range of criticisms made of the Royal government.

Ranariddh, strongly denying that the government was becoming undemocratic, urged its critics to understand what was most important to the Khmer people.

"Democracy means food for the people's stomachs, shelter, education, medical facilities and basic amenities and the freedom to express and move freely. This is democracy in the Cambodian sense."

He said that to millions of poor rural people "democracy is just a phrase to be talked about in idle gossip. It does not ensure food for their stomach nor an end to their plight.

"...When the rural poor people have sufficient food, shelter, education and basic amenities, then democracy can be preached and installed in abundance."

On the press, Ranariddh supported the idea of a free, self-regulated press but said that the "western brand of democracy and freedom of the press is not applicable to Cambodia."

It is not the first time that Ranariddh has made such comments. As recently as July 3 he had compared democracy and a free press to a suit which "we have to redo or trim in order to fit ourselves", but his written statement marked the most comprehensive declaration of his views to date.

What prompted the statement is unclear, though it referred to "critical and unfair" articles by local and foreign journalists. It was dated on the eve of United

States Secretary of State Warren Christopher's one-day visit to Cambodia, but did not become public until after he had left.

Lau Monghay acknowledged that Ranariddh's comments were part of a democratic debate about Cambodia, but said it sounded like a broken promise.

"It's a departure from what has been promised — there's the question of promise and delivery. It is very dangerous when the delivery is not the same as the promise," said Monghay.

"Democracy is democracy, human rights are human rights. To KID, there is no Western democracy or Eastern democracy. It's democracy."

Thun Saray, president of Cambodian Human Rights and Development Association (ADHOC), said the issue of having enough food to eat had to be considered along with the other rights such as to be protected from violence.

"It does not lead anywhere (to consider) the right to eat alone... We cannot stay alive just by having enough to eat while being short of civil and political rights and being physically abused without protection."

Australian judge Michael Kirby, the UN Secretary-General's Special Representative on Human Rights in Cambodia, would not be drawn on his view of Ranariddh's statements.

Speaking at a press conference on Aug 15, at the end of a 12-day Cambodian visit, Kirby said he had been unable to meet with Ranariddh to discuss democracy and human rights issues.

"The first Prime Minister expressed his views (in the statement) in a typically wide-ranging, forthright and bold manner.

"Unfortunately his busy commitments have not allowed him to see me on this visit and I therefore haven't had the opportunity of exploring with him in more detail the thoughts that he expressed.

"...but the issues he dealt with — the... expulsions from the National Assembly, logging, freedom of the press, democracy-won't go away.

"They'll still be here when I come again and I will take the occasion then to explore whether the First Prime Minister still holds to all of the views he expressed and I will be happy to discuss with him the way in which those views are reconciled with the universal obligations that exist within the UN conventions and which have been adopted in the constitution of the Kingdom of Cambodia."



Kirby said the UN had determined that there was "no cultural or ethnic exception" from international obligations to protect human rights.

But individual rights-such as that of freedom of expression and that of the right to privacy often had to compete with each other.

Kirby was quizzed over whether he believed Cambodia was following a Malaysian-style of democracy, with Ranariddh expounding views similar to those of Malaysian Prime Minister Dr Mahathir Mohamed.

He replied: "There is a tendency in Western countries to think that human rights are about policemen, courts, prisons and matters of that kind.

"But human rights as seen by the UN, and often articulated from Asia, is a much broader mosaic. It includes the right to health, the right to work, the right to housing and the right to food. If the dichotomy suggested is between those Westerners who think the only human rights are the right to free expression and the right not to get arrested, then I'm with Dr Mahathir and the First Prime Minister of this country.

"Because there is no doubt that having food in your stomach and clean water to drink are more important to more people than the other issues.

"But... all of these human rights are vital, important and have to given weight. In terms of government priorities, no doubt the government here will set its own agenda."

#### **Newspaper Closed, Editor Fined for Defamation**

BK3008062095 Hong Kong AFP in English  
0444 GMT 28 Aug 95

[FBIS Transcribed Text] Phnom Penh, Aug 28 (AFP) — A court on Monday ordered closed a Cambodian newspaper, Udom Keakte Khmer (Khmer Ideal), and fined its editor more than 4,000 dollars on charges of defamation and disinformation.

Phnom Penh municipal court judge Um Sarit also said Thun Bunli, the editor of the Khmer-language newspaper, would be sentenced to two years in prison if he could not pay the 10 million riel fine (4,116 dollars).

The government filed a complaint earlier this year, alleging that in five articles and political cartoons, Khmer Ideal had defamed and insulted the country's prime ministers by falsely depicting them as power-hungry and physically handicapped.

The judge also said the stories had created unease among their readers.

The charges were filed under the press laws of the communist State of Cambodia government, which are

still in effect as King Norodom Sihanouk has yet to sign a new media bill, approved by parliament in July.

Thun Bunli defended the stories, saying they were opinion pieces, not intended to be read as fact and therefore protected speech under Cambodia's constitution, which was adopted after the United Nations-brokered elections here in 1993.

Human rights officials in the heavily-guarded courtroom said Thun Bun Ly was repeatedly asked to prove that his articles were true. He responded by asking the prosecution to explain specifically how the stories created unease or insecurity.

"The judge is unjust," Thun Bunli said after the trial. "I wanted him to explain the proof to me but he did not and just tried me."

Thun Bunli has two months in which to appeal the verdict.

His conviction comes as the government moves to bring criminal disinformation and defamation charges against several other Khmer-language newspapers and an American-owned, English language paper.

International human rights groups have expressed their "deep concern" that the government is engaged in a concerted effort to curtail civil liberties especially the freedom of speech and freedom of expression.

#### **'Autonomous Institution' Proposed for TV, Radio**

BK3008054895 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 28-29 Aug 95 p 11

[Report by Kroesna]

[FBIS Translated Text] The Information Ministry of the Kingdom of Cambodia has a new idea: Cambodia National Television [TVK] and the Radio National Voice of Cambodia, currently under the control and supervision of the ministry, will be transformed into an autonomous institution.

Information Minister Ieng Muli revealed this vision during the afternoon of 25 August, when he stressed that his ministry would submit to the royal government the idea of turning TVK and the national radio into an autonomous institution. He did not say when this proposal would be submitted.

There are a few reasons, according to Ieng Muli's statement, for TVK and the national radio to be made autonomous. Ieng Muli said that giving autonomy to TVK and the national radio would make it easier for them to function because they would not be hampered by the current extensive chain of command that has always impaired and obstructed their operations.



He cited an example: To purchase a bulb, TVK now has to go through a lot of paperwork because it must send application forms to the ministry and wait for its answer, which takes a long time.

It is understood that deregulating TVK and the national radio also greatly benefits the upcoming 1998 elections, when this institution will have to be neutral as far as the electoral campaigns by the different, competing political parties are concerned.

There are currently three TV stations (including the government-run TVK) in operation in Cambodia, and three other private TV stations are preparing to transmit their own programs. As for radio stations, there are currently four, one government-owned, and three private.

Ieng Muli said that the TV and radio stations are now hotly competing with one another. He stressed that the current government has a policy of liberalizing the reception of airborne information by giving the people freedom to purchase satellite dishes and install them in their homes, thereby enabling them to intercept information from all countries around the world.

In Cambodia, only the people living in a number of provinces close to Phnom Penh can watch programs broadcast by TVK because of its weak signals and old transmitting equipment. In the not-too-distant future, however, every province in the country will be able to watch this station's broadcasts.

Ieng Muli said that he will set up one station in Sihanoukville and another in Battambang Province when the aid promised to TVK by certain countries has arrived. Viewers will be able to see these broadcasting stations anywhere in the country. He also admitted the weakness that TVK cannot be seen by viewers in several regions, a failure that has led them to watch the TV programs of other countries instead. He said that some of our citizens have been watching Thai TV programs and have thus learned more Thai than Cambodian.

The control of TV and radio transmissions at present remains largely inadequate, as there are too many loopholes because of the lack of a binding law. Ieng Muli said that the Information Ministry was the first to step forward in issuing the press law. There will be another audio-visual law for TV and radio in the future.

Some resentment has been observed among the public concerning the broadcast of cigarette, soft drink, and whiskey commercials, as well as cultural features by some private TV stations. Many believe that these TV spots are harmful to national mores and customs. According to the minister, however, these problems will be corrected little by little once the government has

the law. He hinted that there will soon be a law on advertising.

#### **Information Exchange Planned With North Korea**

*BK3008062495 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 27 Aug 95 p 9*

[FBIS Translated Text] Khieu Kanharit, state secretary of the Information Ministry of the Kingdom of Cambodia, ended a 10-day visit to North Korea and returned to Phnom Penh on 25 August.

At Pochentong airport, Khieu Kanharit said that his visit to North Korea had two major goals. The first is to study the situation, development, and progress of Korea after 50 years of independence.

The second goal is to exchange views on cooperation in the field of information between the two countries, North Korea and Cambodia, within the framework of the south-south information relations of countries that have made efforts to seek independence in the information sector.

The state information secretary also said that the significant thing achieved during the official visit to Korea was that the delegations from the Information Ministries of Cambodia and Korea discussed the establishment of a joint information commission with representatives from major government information components, such as radio, television, and news agencies, for the purpose of exchanging news and information.

He also said that the main goal in setting up this commission is to avoid relying on the Western world's news network. If this matter is agreed upon by the Royal Government and the Korean Government, the two sides will sign an agreement on information exchange between the two countries in the future.

#### **Logging Concessions to Foreign Concerns Viewed**

*BK2908095095 Phnom Penh PHNOM PENH POST  
in English 25 Aug-7 Sep 95 p 1*

[Report by Tricia Fitzgerald]

[FBIS Transcribed Text] The controversial 800,000 hectare Samling logging deal has been dwarfed by a recent 1.5 million hectare concession awarded to the Indonesian Panin Group.

A second huge deal signed July 21 of more than 500,000 hectares, to Malaysia's Grand Atlantic, is just another of 27 mainly foreign logging companies who have either applied for license approval, or who already have existing licenses.



The information was confirmed by Forestry Department chief Cham Sarun.

Those waiting are six Taiwanese groups, another two Malaysian companies based in Sarawak, a South Korean, two Singaporean, a Japanese and two joint Australian-Cambodian groups.

It is not known how much the contracts are worth. Samling's payments to the Royal Government for its concession have never been publicized.

It is clear that after a brief pause in legal logging following the December 30 ban, millions of hectares of Cambodian forests are being earmarked for logging.

Licenses have already been approved — and many are long-standing — for four Thai, three Malaysian (including Samling and Grand Atlantic), two Indonesian, two joint Cambodian/Japanese and Cambodian/Russian ventures, and two Cambodian companies.

The deals — approved at Prime or senior ministerial level (Samling was approved by the Council of Ministers) — are upsetting some forestry officials.

They say the deals breach forest management regulations.

Though Agriculture Minister Tav Senghuo claims that logging contracts are only going to companies which will replant Cambodian forests, technical experts say the contracts are "not reassuring."

One senior agricultural employee, a well-trained technician and former forestry employee, said he feared good policies are being ignored in the rush to sign big foreign contracts.

"Contracts now being approved by the two Prime Ministers in many respects don't follow forestry management policy, in regard to the levels of logging allowed," said the man, who requested anonymity.

"Since French occupation we have had strict forestry management policies, which were further developed in the Sangkum Reas Niyum (Sihanouk's) regime," he said.

"The Forestry Department has the necessary skills and knowledge to regulate forest usage if it is allowed to carry out its job," he said.

A second senior forestry official, who requested he not be named, agreed that important technical policies were not being adhered to in the wave of new contracts.

New concessions allow for every tree with a circumference of 45 cms to be cut. Forestry regulations allow only one tree in every three with a circumference of 60 cms or more to be cut.

Regulations also call for 70 percent of large trees to remain standing for soil conservation, regeneration and to supply seedlings. This is understood to be missing from new contracts.

Forestry regulations also state that full inventories of forest cover should be made before logging begins, however the official said companies are surveying only the parts of the forest they wanted to log.

"If you do it bit by bit you cannot ensure the regeneration of the forest because we have no idea of the original cover," he said.

Samling's license only binds the company to replace each tree felled "if natural regeneration does not occur."

Another forestry official said that contracts should be prepared and controlled by the Forestry Department because forestry protection was a technical, not policy matter.

The officer said: "Sometimes I lose hope because there should be uniform technical protection measure for all forestry concessions so we can protect our forests".

#### **International Court Trial of KR Leaders Urged**

*BK3008042495 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 28-29 Aug 95 pp 1, 2*

["This Issue's Comment" column by Seiha: "There Is No Shortage of Suffering in Cambodia..."]

[FBIS Translated Text] It appears that certain persons still do not wish to bring legal action against the Khmer Rouge [KR] leaders. Steven Ratner—an international law expert who attended an international conference under the preamble "Striving for Justice and International Criminal Law in the Cambodian Context" held in Phnom Penh early last week—has stated that "there can be no international law commission for the prosecution of senior Khmer Rouge leaders if Cambodia does not want it."

It is too late for anyone to wonder whether Cambodia "wishes or does not wish to prosecute the Khmer Rouge leaders." Politicians should stop taking cover behind or should no longer play this Khmer Rouge card, and Cambodia should be resolute in bringing these Khmer Rouge leaders to trials at all costs.

Cambodians rejoiced over the following remarks made by Second Prime Minister Samdech Hun Sen to this international conference: Senior Khmer Rouge leaders must be judged by an international court of justice. There will be too many shortcomings if the trial is to be held in Cambodia. It is better to try them in an international tribunal, for such a tribunal would carry



more weight and have greater scope and authority than a Cambodian tribunal. It would also set an example to prevent more acts of genocide elsewhere. Certain countries that wanted to harbor Pol Pot would then have to think twice.

It is true that prosecuting the Khmer Rouge leaders is not the only way to bring an end to the Khmer Rouge-inflicted havoc that is plaguing some parts of Cambodia. It is, however, a necessary undertaking that would contribute to terminating the Khmer Rouge menace and alleviating the pain of the Cambodian people. It is also a task that would answer to the call of Cambodia's history and of mankind as a whole.

Cambodia still has a serious deficiency in its legal system, budget, means, and human resources for prosecutorial actions against the Khmer Rouge leaders. However, the world should recognize that there is no shortage of suffering and of tragedies in Cambodia for anyone to be convinced that prosecuting these Khmer Rouge leaders is a must.

One thing that remains true in Cambodia is that, although the 1975-1978 events are now nearly 20 years old, the embers have not yet been extinguished, and a trial of Khmer Rouge leaders by an international court of justice continues to be a strong wish of the Cambodian people.

#### **'High-Ranking' KR Defector Describes Purges**

*BK2908132495 Phnom Penh PHNOM PENH POST  
in English 25 Aug-7 Sep 95 p 5*

[FBIS Transcribed Text] Khmer Rouge [KR] leaders, angry at mass defections, are now conducting a vicious purging of followers suspected of disloyalty.

In charge of the deadly retribution is one-legged Khmer Rouge General Ta Mok, the guerrillas' commander-in-chief, well known by Cambodians on both sides of the 25-year-long civil war as a mass murderer.

General Mok, earned his reputation as far back as the '60s, exerting ruthless control over his troops. He rivals even the KR's official leader Pol Pot in power and cruelty.

The latest high-ranking guerrilla to slip Mok's control is Heng Sarat, who describes himself as the political commander of Khmer Rouge's northern division 980. He joined the guerrillas as a youth in 1974.

Sarat, who says he planned his escape from the guerrillas for two years, defected to the government on July 7, after Khmer Rouge commanders ordered that he execute his subordinate for collaboration.

Sarat's defection with 40 of his closest troops was preceded by a mass defection in January when 431 fighters under his control jumped sides.

"General Ta Mok was very angry about the defections and ordered that the leadership ranks be purged of spies and bad components," said Sarat, who commanded more than 550 KR fighters prior to the defections.

"In my region, in May and June alone, around 12 to 15 Khmer Rouge soldiers were executed on Ta Mok's orders because they were found listening to the government's national radio," Sarat said.

Guerrillas who changed their minds and returned to their bases after defecting to the government have also been executed in Cambodia's northwest, the division commander said.

Sarat said over 100 Khmer Rouge soldiers who had disobeyed orders were being held in a large prison in the KR northern headquarters at Anlung Veng, near the Thai border.

Two KR generals with 60 soldiers had recently led a protest at Anlung Veng about the jailing of soldiers, but it was put down by Ta Mok, he said.

"There are constant political and military courts held in the Anlung Veng headquarters and at the center of it all is Ta Mok, who controls the distribution of rice and salaries for the entire northern region," he said.

Government soldiers fare even worse in the guerrilla camp, which is guarded by 4,000 fighters, Sarat said. All captured soldiers are executed after they are interrogated.

Despite the harsh discipline exacted on their own members at Anlung Veng, Sarat said the headquarters offer relative luxury after months in the jungle.

Relations between Thailand and the guerrilla base are "close" Sarat said, with a thriving and lucrative log export business. The KR buy up to 300 tons of Thai rice a month.

Although busy with timber deals, Sarat said the KR's aging leadership still adhere to the communist philosophies they tried to implement so disastrously in 1975 to 1979, when one to two million Cambodians died.

He estimates 70 percent of the guerrillas now follow only in fear, avoiding a tightly constructed web of spies, retribution and executions.

Mok's control reaches into the most isolated jungle camps in the north via a closely monitored nationwide radio system and high level conferences for commanders.



"We report every three days on military actions like blowing up bridges and roads, planting poisoned bamboo sticks and mines and burning houses," said Sarat.

"Every two or three months there is a conference for commanders, at Bos Sbov on the Thai border north of Anlung Veng". The meetings are attended by 66-year-old Pol Pot and 72-year-old Ta Mok, Sarat said.

Tall and fit, Sarat, 39, said after being forced into the KR at 17, he slept in trees for 18 of the last 22 years.

The increasing violence within the secretive organization and dwindling supplies made life in the jungle very difficult, despite regular salaries and bonuses paid for military action or promised bounties for foreigners.

Up to a hundred fighters a month were severely injured, many by mines, Sarat said, listing the long stretcher journey to Anlung Veng hospital as another reason for defecting.

Despite the strict control exercised over Khmer Rouge mobile units, economic and family ties with "the enemy" — the Royal Cambodian Armed Forces (RCAF) — have survived the years of killing.

Since ammunition and weapon supplies from China and Thailand dried up following the 1991 Peace Accords, the guerrillas made their own land mines and now buy government arms and ammunition from local "middle men."

"Everything bought locally is all RCAF ammunition, as far as I know," Sarat said.

Sarat plotted to move his wife, Nang Sara, and three children from Anlung Veng to a government-controlled village, in preparation for his defection.

Behind enemy lines, blood ties with the government side meant he could visit her once or twice a month, with the sanction of the district police chief who was his cousin, and the provincial governor, his wife's uncle. With intricate knowledge of all guerrilla movements in the region covered by his former division, Commander Sarat has now returned to Siem Reap to serve with the RCAF.

Although Sarat said he was not worried by the dangers of returning to his former territory, Ministry of Defence officials are concerned about the safety of guerrilla defectors and their families, defence spokesman General Chum Sambat said.

The murder of Colonel So Sovan and two other defectors in southern Cambodia by a guerrilla revenge squad in April was a reminder that guerrilla leaders were as angry about defections as the government was pleased.

"No-body can guarantee the safety of defectors, the same as we cannot guarantee the security of other villagers against Khmer Rouge attacks," said Sambat.

Sambat said the reprisals will not slow down the defections though.

"If it was not good for the defectors why would others still be coming to join the RCAF?" asked Sambat.

Military sources in Poipet claim Khmer Rouge leaders executed 45 Khmer Rouge soldiers, 15 at Phnum Malai, during July because the guerrillas refused to fight.

These reports could not be independently confirmed.

#### **Khmer Rouge 'Minister' on SRV Territory Grab**

*BK2908094995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 28 Aug 95*

[ "News conference by Mak Ben, minister of rural areas, agriculture, and water conservancy, and representative of the Provisional Government of National Union and National Salvation" on 28 August; place not given — recorded]

[FBIS Translated Text] [Mak Ben] I would like to inform the compatriots of the meeting held by the cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] on Monday, 28 August, as follows:

On 28 August the cabinet closely examined and discussed the issue of communist Vietnam's grabbing Cambodia's territory in the east.

According to reports from everywhere, it is clearly evident that the situation concerning communist Vietnam's sniping at the territory in east Cambodia is becoming increasingly serious. Communist Vietnam has grabbed more and more territory and deeper and deeper inside Cambodia. It has also furthered the fascist activities in evicting the Cambodian people from their villages, shooting them dead, and preventing them from carrying out farm works and doing business. As for the two heads who are communist Vietnam's puppets, they have totally abided by communist Vietnam's orders and rubber-stamped all its actions.

The situation at the border at present is as follows:

I. Communist Vietnam has grabbed larger and larger chunks of the Cambodian territory along the eastern border, several kilometers deep inside the country from Stung Treng, Ratanakiri, and Mondolkiri to Takeo and Kampot Provinces. It has created Vietnamese villages controlled by its own administrators and the Communist Party of Vietnam committee [words indistinct]. For



example, in Ratanakiri Province, communist Vietnam has totally grabbed the Dragon's Tail area in Veun Sai and (Andong Meas) Districts; in Mondolkiri Province, it has occupied Cambodia's eastern territory from Pich Chenda, Sen Monorom, (O Reang), and Sre Ktum in Mondolkiri Province to (?Snuol District), and in Kompong Cham Province, it has seized part of the Memot District and Krek. [Words indistinct] has amassed and trucked paddy crops, rubber, oxen, water buffalo, and other agricultural produce to Vietnam from Kompong Cham and (?Kompong Thom) Provinces. Another example, in the provinces of Kandal, Takeo, and Kam-pot south of Phnom Penh, the Vietnamese have dug canals along the border deeper inside the Cambodian territory in the districts of Kompong Trach, Kirivong, and Kaoh Andet up to the Basak and Mekong rivers. In Prey Veng and Svay Rieng Provinces, the Vietnamese have dug canals and moats, displaced border markers, constructed garrisons, created Vietnamese villages, and built [word indistinct] several kilometers deeper inside Cambodia.

II. Communist Vietnam has removed Cambodia's boundary according to treaties it has drawn up and its puppet administration has signed, opening up the Cambodian frontier for the Vietnamese to move in and out at will. Vietnamese nationals, Vietnamese troops, and Vietnamese agents of all kinds can freely get in and out of Cambodia through every post of entry. They can come to Cambodia to plunder and occupy land; rob the economy, rice crops, fish, and meat; illegally fell trees, and carry out activities to create insecurity everywhere in the society. Each day, millions of Vietnamese move freely in and out of Cambodia in the east, from Ratanakiri to Kampot Provinces, and through the country's seas and islands. As for the Cambodia-Vietnam border commission set up by (Vietnamese President) Le Duc Anh when he came to Phnom Penh, it is only for legally rubber-stamping the above concrete events and for endorsing, once and for all, the situation where communist Vietnam has grabbed and occupied Cambodia's territory along the border by millions of square kilometers.

The Cambodian nation and people have clearly seen the reality. They have recorded in history that UNTAC [UN Transitional Authority in Cambodia] and the alliance have violated the Paris accord, which emphatically states:

1. The Vietnamese aggressor forces' withdrawal from Cambodia should be controlled and their return should be prevented at all costs, but UNTAC and the alliance claimed that there were no Vietnamese in Cambodia; they continued to maintain the Vietnamese aggressor forces in the country.

2. A four-party national reconciliation should be achieved and a quadripartite Supreme National Council [SNC] should be set up, but UNTAC and the alliance dissolved the SNC and opposed a four-party pact by combining only two parties together.

3. Elections should be held in a neutral political atmosphere, but UNTAC and the alliance plotted with communist Vietnam to maintain the entire communist Vietnamese puppet regime from top to bottom, both in Phnom Penh and provinces. The elections were held in a fascist manner, under the regime of the communist Vietnamese puppets, so as to combine the two heads for the purpose of further fuelling the communist Vietnamese war of aggression that has lasted thus far.

4. Cambodia's sovereignty, territorial integrity, and national unity should be respected, but UNTAC and the alliance allowed communist Vietnam to grab Cambodia's territory in the east, protected the ethnic Vietnamese, and injected Vietnamese into Cambodia ceaselessly. The Vietnamese in Cambodia now number over 4 million. Those Vietnamese are in the process of wolfing down and swallowing Cambodia, including its land, people, economy, and everything.

The violation of the Paris accord by UNTAC and the alliance constitutes total and open concerted efforts to allow communist Vietnam to swallow Cambodia.

Our entire nation and people, in the rural and urban areas and at home and abroad, as well as the personalities from all circles have been conducting all forms of struggles to oppose resolutely communist Vietnam's grabbing Cambodia's border territory and swallowing up and incorporating the Cambodian territory into Vietnam as it did to Kampuchea Kraom [ancient Cambodian territory lost to Vietnam in the 17th century].

In particular, the Cambodian people in the east have constantly fought communist Vietnam and the communist Vietnamese puppet administration. The people have been opposed to communist Vietnam's digging canals and moats, creating Vietnamese villages, planting rice, plundering rice crops and fish in Cambodia's rivers and lakes. They have staged struggles and protests to demand the return of their villages, land, rice fields, and so on. Our entire nation and people have stood up and carried out a struggle with a high sense of responsibility for the staunch defense and safeguard of Cambodia's territory, sovereignty, and territorial integrity. They will continue to fight for another 10, 100, or 1,000 years until the ancestral territory is returned to their owners, the people.



The cabinet wishes to reaffirm the steadfast and absolute stance of the PGNUNS and National Union Party [NUP] as follows:

1. The NUP and PGNUNS categorically reject and consider null and void all border agreements and treaties concluded by communist Vietnam and the communist Vietnamese puppet administration between 1979 and 1995 and thereafter.
2. The two heads whose true nature is communist Vietnam's administration have no right whatsoever to revise the Cambodian border, and to negotiate with communist Vietnam the Cambodian border, sovereignty, and territorial integrity.
3. Nobody has the right to revise or negotiate the Cambodian sovereignty, territorial integrity, and border. The two heads, who have negotiated and sold Cambodia's border and territorial integrity to communist Vietnam, must be held accountable and convicted for high treason.
4. Communist Vietnam must respect the Cambodian border recognized internationally before 1970 and accepted officially by communist Vietnam itself in 1967.

The 23 October 1991 Paris accord declares null and void all agreements and treaties that affect Cambodia's sovereignty and territorial integrity. The territory annexed by communist Vietnam through agreements and treaties concluded by the communist Vietnamese aggressors and the communist Vietnamese puppet administration between 1979 and 1991 must be returned to Cambodia.

5. The NUP and PGNUNS join forces with the entire nation and people to conduct a persistent and constant struggle in the past, at the present time, and in the future to defend and preserve Cambodia's sovereignty, territorial integrity, and border, at all costs.

These are the main contents of the cabinet meeting on 28 August that I would like to convey to the compatriots.

[Correspondent] Thank you, Excellency. I, the representative of PGNUNS radio, wish to ask the following question: When Le Duc Anh, the arch criminal of the race-extermimating war of aggression against Cambodia, came to Phnom Penh, a joint communique was issued to maintain the present border situation. What is its actual significance?

[Mak Ben] Yes, the actual significance of the joint communique declared by communist Vietnam and the two heads is that the two heads have rubber-stamped communist Vietnam's grabbing of the Cambodian border territory by millions of square kilometers, and accepted the border situation where communist Vietnam has oc-

cupied larger and larger chunks of the Cambodian territory as final. The two heads have permitted communist Vietnam to continue building Vietnamese villages and houses to strengthen the Vietnamese occupation. They have blatantly given communist Vietnam a free hand to evict Cambodians from their villages and homes and allowed armed Vietnamese civilians and soldiers to further plant rice and plunder paddy crops, oxen, water buffalo, and fish on Cambodian soil. They have authorized the Vietnamese to move freely in and out of Cambodia as ants to plunder the Cambodian people's property in a systematic way. The people have even been deprived of cow dung for use as firewood in the past several years.

It is widely known that negotiations between the two heads and communist Vietnam are only stage-managed to legitimize communist Vietnam's occupation of Cambodia. This is why our nation and people have all opposed the two heads' revising and negotiating the border problem with communist Vietnam. In view of this, we should persistently continue our national liberation struggle until the actual pre-1970 border is genuinely restored to Cambodia. Experiences from the past 16-17 years unambiguously show that only a real national government is able to defend Cambodia's territorial integrity and border effectively.

#### **Khmer Rouge on 4 Months of Monsoon Successes**

*BK2908125495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 28 Aug 95*

["Communique" of the National Army of Democratic Kampuchea; place and date of issue not given — read by announcer]

[FBIS Translated Text] The results of the guerrilla and people's war implementation during the four months of this 17th rainy season: The results of this rainy season are fairly good [l'ar kuo sam]. During these four months, we particularly cut off the Phnom Penh-Battambang railroad; the Kompong Som-Kampot railroad; the Sisophon-Poipet portion of Route 5; Route 12 between Kompong Thom, Preah Vihear, and An Seh; Route 68 and Route 69 between Sisophon and Oddar Meanchey; Route 10 along Sangke river; and Route 4; and in the interior of the country, we were also quite successful in attacking the enemy and building the people's forces.

These are the results of the efforts made by our commanders, our soldiers, and our people who have suffered at the hands of the communist Vietnamese enemy, the communist Vietnamese puppets, the two heads, and the alliance in their war of devastation against our nation and people. Consequently, our nation and people



together with our National Army of Democratic Kampuchea [NADK] have joined hands closely and attacked the enemy most resolutely, using all forms of struggle.

The main objective is to cut the enemy's lifelines again and again, and to block his transport routes again and again. The enemy is choking. He is choking and agonizing on the Sisophon-Poipet portion of Route 5, at An Seh, and on Route 68. He is attempting to open the Boeng Trakuon road via Route 69 from Thmar Puok to Sisophon. Will he succeed? Will our NADK allow him to succeed? Will our people allow him to succeed? This depends entirely on our cadres, soldiers, and people because each route is long and stretches for dozens and hundreds of kilometers. So, it can be cut at any point and our objective is to strangle the enemy again and again, and to cut his throat again and again until he completely chokes and dies.

The procedure that we have used, are using, and will continue to use consists of keeping the cadres close to the soldiers, keeping the cadres and soldiers close to the people, and keeping the army and people united as a single body, making them use all types of weapons to attack the enemy and especially to cut off the enemy's lifelines — be it small routes or major highways, riverways or overland roads, small passes or major accesses.

One of the most effective weapons that we have been using and will use in the future is that our cadres and soldiers have organized their personnel for the following:

1. Punji pits: Each front assigns 30 percent of its personnel to build punji pits. Each person can dig 10 to 15 pits a day. So, 30 persons can build 300 to 450 pits in one day, 3,000 to 4,500 pits in 10 days, and 9,000 to 13,500 pits in one month. Each pit is dug up with just six strokes of a hoe, and is planted with just four to five stakes. These punji pits are dug around enemy positions in triangular formations each 10-meter away from the other. A dozen additional poisoned stakes are planted in the spaces between these pits.

The same procedure must be applied to the areas on both sides of the railroads, Route 5, Route 4, Route 12, Route 68, Route 69, and other provincial and district routes so as to make the enemy fearful of entering zones armed with these punji pits and poisoned stakes. The point is to make them afraid merely after they learn that these punji pits and poisoned stakes are in the areas, and to make them run away in total panic.

Our cadres, soldiers, and people should jointly devise plans to assign 30 percent of their personnel — that is, three out of 10 and 30 out of 100 — to make punji

pits. This should be implemented every day, every 10 days, every month in the past as well as at present and in the coming month of September, in October, and so on until we have tens of thousands of punji pits.

2. Plain stakes and poisoned stakes: Each front must assign 50 percent of its personnel to producing plain stakes. Each person can produce 400 to 1,000 stakes in one day. He must do that as part of the struggle to win over the enemy. The spirit of winning over the enemy to prevent him from making war against our nation and people constitutes a very powerful force necessary for driving us to wage a most resolute struggle. With just one knife in hand and a whetstone to sharpen it, you need only three slashes to make a stake or you can make a stake just by whacking a bamboo pole three times on a knife firmly secured to an embedded staff.

Our view and stance is that we experience strong anger at the aggressor and genocidal enemy; strong anger at being conscripted by the enemy as soldiers and militias to fight and die like fallen leaves; strong anger at the old and new enemies who have conscripted the people to do their K-5 hard labor and die like flies; strong anger at seeing communist Vietnam and Vietnamese immigrants snap at and swallow up Cambodian territory; strong anger at the two-headed lackeys who are being used by Vietnam to destroy the Cambodian nation and people; strong anger at the fact that the formerly prosperous and happy Cambodian people are now experiencing starvation and facing death by the millions.

This anger has been transformed into punji pits, plain stakes, poisoned stakes, and poison-tipped stakes. Efforts to produce these devices should be made all the time so that the nation survives; so that the race is preserved; so that the land, cattle, fields, and orchards are protected; and so that our husbands, wives, and children live and are free from being conscripted as soldiers, militias, or administrators by the old and new enemies to destroy the Cambodian nation and people.

The force needed to produce plain stakes represents only 50 percent of all personnel. If each person produces 400 to 1,000 stakes in one day, 50 persons will be able to produce 20,000 to 50,000 stakes in one day, 200,000 to 500,000 stakes in 10 days, and 600,000 to 1,500,000 stakes in one month. As for the poison-tipped and poisoned stakes, they are to be produced by 3 percent of each front's personnel. A person can produce 200 to 300 of these stakes in one day; three persons can thus produce 600 to 900 in one day and 6,000 to 9,000 in 10 days.

3. Multi-pronged stakes: Each front should assign 5 percent of its personnel to build these stakes. If a person can make five of them in one day, five persons will be



able to make 25 of them in one day, 250 in 10 days, and 750 in one month.

4. Single-shot crossbows: Each front should assign 3 percent of its personnel to produce them. A person can make one in one day and three persons can thus make three of them in one day or 30 in 10 days.

How to set them: They should be mounted in areas, accesses, or forests frequented by both uniformed and plainclothes enemy agents.

Besides, there are other weapons that can be produced and used to attack and smash the enemy. You must constantly use your high sense of ingenuity and initiative to devise and produce these weapons locally and to turn out easily fabricated weapons quickly and effectively.

As for our people — our cadres and soldiers spread all over the country have known them, indoctrinated them, and coexisted with them — particularly during the past 16-17 years of the communist Vietnamese war, virtually all of them have suffered at the hands of communist Vietnam, the communist Vietnamese puppets, and the two-headed lackeys of communist Vietnam and the alliance. They have been skinned alive and their families caused to starve and die of hunger and thirst. This is unprecedented in all of Cambodia's history. For this reason, the people's anger is overwhelming. As a result, in each village there are at least 10 to 20 determined and fiery people. All these people used to join our cadres and soldiers in resolutely attacking the communist Vietnamese enemy, communist Vietnamese puppets, and two-headed lackeys of communist Vietnam and the alliance. Our cadres must be aware of this force of the people, and must unite as a single body with these 10-20 determined people in:

1. Digging punji pits.
2. Making plain and poisoned stakes.
3. Making multi-pronged stakes.
4. Making crossbows.
5. Felling trees, erecting barricades, and so on.

We and the people know too well that the old and new enemies, especially communist Vietnam and the two heads, have massacred and skinned our people alive, plunging them into the abyss of death. Because of that, the people have clearly seen that only the resistance forces of Democratic Kampuchea and the Provisional Government of National Union and National Salvation of Mr. Khieu Samphan are here for them to rally with in the common struggle against the old and new enemies to liberate and defend their villages, save the lives of their loved-ones, and protect their cattle, fields, orchards, and rice through a people's war that

they themselves are waging and through a guerrilla war to which they contribute by producing such weapons as punji pits, plain stakes, poisoned stakes, and multi-pronged stakes; felling trees and erecting barricades; and cutting off routes and other enemy lifelines; producing these weapons with their own hands, locally, with bamboos and trees available locally and poisonous resin and poison found locally.

Our nation, people, national resistance forces, and Democratic Kampuchea have never committed any aggression against anybody. We have touched not even a square inch of other people's territory. What we want is to live in peace and coexist peacefully with all countries in the world, especially our neighbors. However, the communist Vietnamese have waged war and created their puppet lackeys to wage war against us. Upon their arrival, both UNTAC [UN Transitional Authority in Cambodia] and the alliance have also waged war. Once he joined them, this guy Ranariddh also has waged war. They have declared war, war, and war against the call for peace, peace, and peace by our nation, people, and Democratic Kampuchea.

We have never wanted war. Now they are using this war to destroy our nation and kill our people. We cannot remain uninvolved. Our feelings are hurt, our hearts compressed, and our hands shaken. It has injected a strong moral and physical fervor into our bodies, stimulating us into feverishly producing punji pits, plain stakes, poisoned stakes, and multi-pronged stakes, and cutting off the routes and lifelines of the enemy, plunging them headlong toward total destruction so that our people can live in peace and happiness again, and our nation and people can reconcile and unite as an independent, peaceful, neutral country with territorial integrity as officially recognized by international law before 1970.

We do not want to wrest any land or territorial waters from any country. The oath of all of us who are cadres, soldiers, and people is that at all times we will strive in the struggle against communist Vietnam, the communist Vietnamese puppets, the two heads, and the alliance through our sacred guerrilla and people's war, dedicating every nerve and cell in our bodies, from head to toe, to constantly producing punji pits, plain stakes, poisoned stakes, multi-pronged stakes, and crossbows, cutting off enemy routes and lifelines, smashing all types and aspects of enemy civilian administration, and fighting resolutely until the communist Vietnamese war of aggression and genocide is terminated.

All of us who are cadres, combatants, and people, and whose lives are constantly at risk resolutely pledge that every night we will sharpen our hatred against the old



and new enemies, and every day we will produce punji pits and stakes and attack the enemy administration through the guerrilla and people's war with fervent and resolute militant activities. Being the sons and daughters of Cambodian patriots fighting for their beloved nation and people, it is imperative for us to do that. Being the sons and daughters of Cambodian patriots fighting to save the nation, the people, and their own families, it is imperative for us to do that. Resolutely, we will not stay uninvolved, hesitant, or fearful; we will never let communist Vietnam, its puppets, the two heads, or the alliance destroy us. This oath sticks like a burning rod in the minds and hearts of each of us, driving us to fight resolutely against the old and new enemies until the war is terminated.

That constitutes the ethics of patriots. They are very lofty, crucial, and ever militant ethics. It is the resolute and fervent wish of our entire nation, entire people, and all our cadres and national resistance forces who pledge every night, every day, every hour that they will never allow the enemy to do away with our nation and people. It is imperative to fight resolutely in order to smash the enemy and terminate the communist Vietnamese war so that Cambodia can enjoy peace, happiness, independence, and national reconciliation again. This will prevent Cambodia from becoming another Kampuchea Kraom and will give Cambodia an honorable niche on the world map.

### Indonesia

#### Alatas Briefs Reporters on Balkans Meeting

*BK3008014395 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 30 Aug 95*

[FBIS Translated Text] Foreign Minister Ali Alatas has explained the spreading press reports on the planned meeting of the three Balkan state leaders in Indonesia. He said that follow-up reconfirmation on convening the meeting is needed.

Speaking to journalists after attending the coordinated meeting on politics and security in Jakarta yesterday, Alatas said that the situation in Bosnia is developing rapidly, such that there is a need to reconfirm the meeting.

He was responding to reaction from Croatia and Yugoslavia, which said they knew nothing about the planned meeting of the leaders of Bosnia, Serbia, and Croatia.

Alatas reiterated that the planned meeting initiated by President Suharto had been agreed upon in principle, and the fixing of a date will be discussed at technical meetings. There must, however, be other considerations before the meeting can be convened because there is a

peace initiative by the United States, Russia, and the European Union that is also directed toward a similar objective.

#### Official Dismisses 'Doubts' on Balkan Summit

*BK2808132595 Jakarta REPUBLIKA in Indonesian 26 Aug 95 p 1*

[FBIS Translated Text] Jakarta — A number of Serbian, Croatian, and Bosnian officials have cast doubt on the talks scheduled to be held in Jakarta to settle the Balkan conflict. The Indonesian Department of Foreign Affairs says the doubt has emerged because the planned meeting was endorsed by the heads of the three governments instead of the officials below them.

AFP reported on Thursday [24 August] evening that the Serbian Ministry of Foreign Affairs, the Croatian presidency, and a spokesman for the Bosnian president said they were unaware of Indonesia's intention to host a meeting on the Balkan conflict.

Their reactions came up after Nana Sutresna, head of the Nonaligned Movement [NAM] Executive Committee, said in Jakarta on Thursday afternoon that talks on the settlement of the Balkan conflict will be held in Jakarta, but the date has yet to be fixed. Nana said that Bosnian President Alija Izetbegovic, Croatian President Franjo Tudjman, and Serbian President Slobodan Milosevic agreed to attend the meeting.

AFP quoted an unidentified source as saying that Indonesia "must have misinterpreted Belgrade's agreement in principle to resolve the crisis."

AFP quoted an unidentified source close to the presidency in Zagreb, Croatia as dismissing the idea as "far-fetched."

Meanwhile, President Izetbegovic's spokesman, Kemal Muftic, was quoted as saying that he learned of the plan from journalists. "In other words, it is not our idea. We do not know about it."

Another source close to the Serbian opposition groups said that such a meeting would be possible "in principle," but the outcome would be "doubtful." According to the source, the NAM has insufficient clout to bring peace to the former Yugoslavia.

Aleksa Buha, "foreign minister" of the self-declared Bosnian Serb Republic, said a meeting would be unlikely given "the geographical distance." He said it would be preferable to have the meeting somewhere in Europe.

Madeleine Albright, U.S. permanent representative to the United Nations, said the United States was unaware of the planned meeting. "I do not know about



any decision to accept the invitation," she said during a Worldnet Dialogue [preceding two words in English], a long-distance panel discussion via satellite with panelists from Tokyo (Japan), Seoul (South Korea), and Jakarta (Indonesia) that was broadcast by the U.S. Embassy in Jakarta yesterday.

The Department of Foreign Affairs of the Republic of Indonesia has dismissed these doubts. Irawan Abidin, director general for information in the Department of Foreign Affairs, said the plan would become clear in several days. He said the letters of invitation were conveyed directly to the three heads of state. "There was a consensus that they accepted the proposal in principle," he said.

"We do not know precisely where the meeting will be held, but it will certainly be a comfortable and quiet place," he said. "The date will become clear in several days."

Irawan believed that the sources quoted by AFP had yet to be informed of the plan because the proposal was conveyed directly to the presidents and prime ministers. "Perhaps the information has yet to trickle down," he said.

According to Irawan, the proposal is being processed and needs to be polished. Thus, it is normal that outsiders and the warring parties themselves might not know about the developments. "They are still busy with their respective affairs and the growing conflict," he said.

Meanwhile, Nana Sutresna is in New York to follow up on the planned talks. "Let us wait for Nana Sutresna's return from New York. He has the authority to give more complete information," Irawan said.

In Jakarta, Lukman Harun, chairman of the Islamic World Solidarity Committee, expressed his support for the planned talks. He said the president's initiatives are "a breakthrough that should be appreciated."

"Moreover, we have gained from helping settle the Cambodian conflict and sponsoring the talks between the Philippine Government and the Moro National Liberation Front, which yielded positive results," he told **REPUBLIKA** yesterday.

Lukman hoped the Jakarta peace talks will produce a fair decision. "Besides settling the conflict, the Bosnian people's demand that their sovereignty and independence be recognized will be fulfilled," he said. Lukman said he believed the Jakarta peace talks could not be confined to one or two sessions.

#### **Editorials View Balkans Peace Summit Plans** **BK2808145095**

[FBIS Editorial Report] Three Indonesian-language dailies — **SUARA KARYA**, **REPUBLIKA**, and **KOMPAS** — carry editorials on 26 August commenting on the reported plans for a Balkans summit in Jakarta.

**SUARA KARYA** carries an approximately 400-word editorial on page 5 entitled: "NAM [Nonaligned Movement] Chairman's Proposal Accepted." The daily notes: "There is a strong indication that the offer by President Suharto as chairman of the Nonaligned Movement, or NAM, to act as the facilitator of a meeting to try to resolve the conflict in the former Yugoslavia will be realized." The daily highlights Indonesia's ability to find a peaceful settlement to the conflicts in Cambodia and the Philippines.

Continuing, the daily says: "Actually, Indonesia proposed that the meeting be held in Europe, closer to the leaders of Croatia, Serbia, and Bosnia-Herzegovina. They agreed, though, that Indonesia is the most suitable place for the meeting."

The daily adds: "As chairman of the NAM, President Suharto suggested that a confederation of the former Yugoslav republics be formed once the conflict is settled. The confederation should be based on the principle of peaceful coexistence, respect for sovereignty and noninterference in the internal affairs of other countries, and promotion of mutual interests and cooperation. If they feel that there is no need for a confederation, then a cooperation forum like ASEAN could be formed to create stability in the region."

Concluding, the daily says: "If the leaders of the conflicting states are willing to hold the meeting in Indonesia or elsewhere, Indonesia will have once again initiated a peaceful solution to a conflict in a foreign country through negotiations."

In a 500-word editorial on page 6 entitled "Facilitating the Balkans Meeting," **REPUBLIKA** recalls President Suharto's visit to Bosnia in March, particularly to Sarajevo, saying he was the first world leader to set foot there since the outbreak of the Balkan crisis.

**REPUBLIKA** stresses: "Following the tense but historical visit, President Suharto, in his capacity as chairman of the NAM, said he believed that there should be a new approach to seeking a comprehensive settlement of the Bosnian crisis. He said that the Bosnian issue can only be resolved effectively if the three leaders of the warring states meet and exchange ideas directly, without the interference of outside parties."



Concluding, REPUBLIKA says: "Under President Suharto's leadership, Indonesia has recorded another diplomatic credit by facilitating negotiations to solve a complicated international conflict faced by other countries for the sake of restoring national stability. These countries have been torn to pieces by ideological, ethnic, and interregional conflicts."

In an approximately 800-word editorial on page 4 entitled "Every Effort To Seek a Peaceful Settlement to the Bosnian Issue Should Be Welcomed," KOMPAS expresses the hope that the presidents of Croatia, Serbia, and Bosnia-Herzegovina can meet in Indonesia to resolve the conflict in the former Yugoslavia. KOMPAS quotes Nana Sutresna, chairman of the NAM steering committee, as saying that the three leaders have agreed in principle to attend the tripartite meeting in Indonesia as proposed by Suharto, but no timetable has been fixed.

Continuing, KOMPAS says: "In the meantime, an AFP news agency report from Belgrade says that officials from the Yugoslav and Bosnian Foreign Ministries claim they have no knowledge of the Indonesian-planned tripartite meeting."

KOMPAS adds: "Whether or not the AFP report is true, we seriously hope that a meeting of the three leaders of the warring states can be convened soon. Everyone knows that if a meeting is finally convened in Indonesia it will not solve the Balkans conflict immediately, but everyone also knows that the conflict should not be allowed to continue endlessly." The editorial adds that the proposal to bring the three leaders together can be called a fresh attempt to solve the Balkans conflict.

KOMPAS states: "People are thinking about lifting the arms embargo and letting the warring factions in Bosnia fight until they are tired and lose their will to fight. But the idea of allowing the warring factions in Bosnia to continue fighting is very dangerous. This idea should be abandoned, because every war has its own logic. Once a war erupts in Bosnia, who could stop it?"

KOMPAS asks: "What about the humanitarian feelings of the international community? Could the world just sit with folded arms and watch the warring factions in Bosnia kill each other? Will the existence of the United Nations as the world's peacekeeping body remain meaningful if it withdraws its troops from Bosnia and allows the factions to fight with one another?"

KOMPAS concludes: "The international community is annoyed by Serb arrogance, but it should not be provoked into allowing the factions to kill one another. No matter how complicated, efforts should continue to solve the Bosnian conflict."

## Thailand

### Prime Minister Banhan Discusses Current Issues

BK2908130595 Bangkok THE NATION in English  
29 Aug 95 p A3

[Interview with Thai Prime Minister Banhan Sinlapachacha by Suthichai Yun and Suphap Khlikhachai at the prime minister's residence in Bangkok; date not given]

[FBIS Transcribed Text] [Suphap] Do you exercise every day?

[Banhan] I try to by walking about half-an-hour a day. If I cannot exercise in the morning, I try to ensure I do when I get home after work at about 10 or 11 pm. In the past, I played golf, but now I have no time, therefore I walk.

[Suphap] Is it true that you included Nam Thai in the coalition after reports that Prachakon Thai would withdraw because it was upset over the assignments concerning traffic management?

[Banhan] No. I just wanted a leading economic expert to join our coalition. I thought if Nam Thai leader Amnuai Wirawan took part, our image on economics would improve.

[Suphap] It is said that Amnuai got only partial responsibility concerning economics and that the biggest share went to Finance Minister Surakiat Sathianthai.

[Banhan] The finance minister will always consult Deputy Prime Minister Amnuai at meetings of economic ministers.

[Suphap] But the finance minister does not report directly to Deputy Prime Minister Amnuai.

[Banhan] That was always the case in previous governments. Deputy Prime Minister Suphachai Phanitchaphak didn't have direct supervision (over the then commerce minister). That was also true during the premiership of Gen [General] Kriangsak Chamanan and Gen [General] Prem Tinsulanon. Responsibilities were shared, otherwise there could have been disputes.

[Suphap] According to rumours before his appointment, Surakiat was not on the list of candidates for the post. Did you spread those rumours yourself?

[Banhan] Certainly not. Even Surakiat didn't say anything then. At first, I wanted to appoint him as my secretary, but all of the candidates I was thinking about were regarded as 'no good' by the mass media. I don't know where the rumours came from.

[Suphap] Why did you choose Dr Surakiat?



[Banhan] We have known each other since when I was part of the Chatchai Chunhawan government. He is ingenious, creative and straightforward, though a bit theoretical sometimes. He has had some experience (to do with economics). When I was appointed finance minister, I knew nothing about economics.

[Suphap] **It was said that your reason for choosing Surakiat was that you wanted to control the Finance Ministry and that he is just your puppet.**

[Banhan] I couldn't do that. I already have a lot of work on my plate now as I am both prime minister and interior minister.

[Suphap] **According to the party's quota system, whom should the interior minister's post really belong to? And what should the background be for someone who gets the job?**

[Banhan] I can't answer that. Newspapers have speculated a lot about this, with some being right and others wrong.

[Suphap] **It seems there has been pressure on you to give up doubling as interior minister.**

[Banhan] To tell you the truth there has been no pressure. There have been discussions in the party (Chat Thai). The thing to remember is that you should not continually ask them (certain Chat Thai MPs) about the ministry, otherwise they may get angry.

[Suphap] **Is the problem that you don't actually want to quit the interior post, but that you can't find a suitable replacement?**

[Banhan] That's partly true. I have to spend some time in order to find a suitable replacement because many people want to succeed me. I will have to hold on to the office for a while because I have to finalize my plans to split the Interior Ministry. (Banhan said recently he was planning to set up a police ministry.) I can't say that I will leave within six months. My plan would not materialize if the prime minister and interior minister were different people. But it will happen if I stay with the Interior portfolio.

[Suphap] **How will you split the ministry?**

[Banhan] I am still considering that. It's certain the Police Department will materialize, but it remains undecided about what other areas will be included in the new ministry. I am confident the plan will come to fruition before my tenure ends. The Interior Ministry has grown too big.

[Suphap] **How do you split your time between being prime minister and interior minister?**

[Banhan] I go to the Interior Ministry near every day to see if there are any problems and I issue directives if there are any. Work that needs my signature will be done at home. I always bring over 20 documents home everyday to deal with and work on them.

[Suphap] **There some many factions within the Chat Thai Party. It is said that in fact you have only a handful of MPs under your control, and that if the other factions rose up against you, you would be in trouble. Is that true?**

[Banhan] Who has ensured peace in the party over the past 20 years? I don't think there will be any problems. I am the party leader at the moment and I don't want to act as a party whip.

[Suphap] **How is your relationships with your party MPs?**

[Banhan] I told them I wanted two months to solve initial problems and that we can sit and talk after that. Some people may be satisfied with their assigned jobs and others may not be. I think that's also the case with other coalition parties. Differences will die down after time, I believe.

[Suphap] **It is said that you and party secretary-general Sano Thianthong have tried to avoid meeting each other.**

[Banhan] That's not true. There is no problem between us. Last Tuesday we met and he asked for my approval to chair a party meeting in place of me because I was busy.

[Suphap] **The public still does not accept certain Cabinet members.**

[Banhan] We don't exactly know who they don't accept. They (the Cabinet members) have been elected and they haven't done anything wrong, so they must have a chance to work. The ones people regard as unfit may perform better than those seen as good.

[Suphap] **Do you think the Cabinet members with questionable backgrounds will be a burden to the government?**

[Banhan] We have to heed public opinion and there must be an improvement to the Cabinet.

[Suphap] **Why did you have to appoint Newin Chitchop as deputy finance minister?**

[Banhan] When he was a member of the opposition, he worked well. The information he used during House debates was accepted by everyone. He correctly pointed out the previous government's mistakes. We have to accept his ability. He won in the election and was able



to lead a number of party candidates into the House. We have to accept these facts.

**[Suphap] For Chat Thai, the number of House seats each faction wins determines the number of Cabinet members it will get.**

**[Banhan]** That's not always the case. Chaowarin Latthasaksiri (deputy education minister) could not lead any other candidates to win in the election, but he was qualified enough to get a Cabinet seat. All parties have factions and MPs need support from their colleagues to become a Cabinet member. We have to accept this fact.

**[Suphap] So you have not been able to keep certain promises about not upsetting the public, have you?**

**[Banhan]** I can't say whether the public is upset or not. Some people may be disappointed, but I am trying my best.

**[Suphap] If you were to form a new Cabinet, do you think you could produce a better one?**

**[Banhan]** Not now. I have never thought about that. Please wait for two years before asking me that question. At the moment I'd like to ask for the chance for Cabinet members to work. Please tell me if you — both the opposition and the general public — think any of them do anything wrong.

**[Suphap] What about measures to prevent corruption in the Cabinet?**

**[Banhan]** I have told every Cabinet meeting to be on the alert because we have a capable opposition in the House. I told the ministers to be careful to avoid mistakes which would give the opposition a chance to attack. I reprimand the ones who were criticized. In some cases it turned out that they performed honestly in the hope to get things done quickly, but they were seen as trying to protect their own interests.

**[Suphap] There were reports that the Cabinet would change details of many projects approved by the previous government, including the 1.1- million-line telephone project which was opposed by Deputy Finance Minister Newin on the grounds that it would fuel inflation.**

**[Banhan]** The issue was quite big at the Cabinet meeting. We must accept Cabinet members' rights to make comments. It's not only Newin who commented on the project. Some said it might be against the law on joint ventures. Though officials from the National Economic and Social Development Board said it was not, we insisted on a review. Finally I agreed that the Communications Ministry should review the project. There is no personal interest involved. If there is to be any, this government is certainly not a beneficiary.

The project was approved before this government's existence.

**[Suphap] Corrupt Cabinet members may not listen to your reprimands and may threaten to pull out of the government.**

**[Banhan]** I don't think so. We will talk reasonably. It was agreed when the government was being formed that we would sit down and talk if any problems emerged.

**[Suphap] Will the conditions for new commercial banks be changed?**

**[Banhan]** That's the Finance Ministry's affair and I don't want to intervene. As far as I know, some conditions are too tough and it is feared there would be no investors. In addition, having new banks upcountry would provide few benefits.

**[Suphap] The government should have a clear stance. Will the new bank policy stay or not?**

**[Banhan]** I think the policy should remain because it is related to Gatt (General Agreement on Tariffs and Trade) and liberalization of the capital market. I already assigned the Finance Ministry to oversee the matter and I don't want to step in.

**[Suphap] And the proposal about the government's 100-percent investment in the Metropolitan Rapid Transit Authority's mass transit projects (compared to 20 percent private investment resolved by the Chuan government)?**

**[Banhan]** Deputy Prime Minister Thaksin Chinnawat said he wanted the government to invest 100 percent and let the private sector manage it later.

**[Suphap] Do you think Thaksin's promise to ease Bangkok's traffic problems within six months should be considered as belonging to only the Phalang Tham Party or to the government as a whole?**

**[Banhan]** As the government leader, I must be responsible for Khun Thaksin's promise and those made by other coalition leaders.

**[Suphap] Does the political reform issue worry you?**

**[Banhan]** No. Because we have cooperated with many sides. Dr Prawet Wasi (chairman of the now-disbanded Democracy Development Committee which made proposals on political reform) also said the matter needed careful consideration.

**[Suphap] Do you agree with the proposed one-MP constituency?**



[Banhan] It makes no difference to me. You can use any system with Suphan Buri (Banhan's constituency). What I want most is for there to be no caretaker governments.

[Suphap] **It has been reported that the vote-buying case in Buriram will not go to court.**

[Banhan] To sue the suspects or not depends on the evidence. If the evidence is not enough to bring the case to court, we have to accept that. Now the case is in the hands of public prosecutors. They would order further investigation if they found the evidence was not enough. At the moment, we have to assume that the suspects are innocent — like all other cases.

[Suphap] **Do you insist that you never used your power as interior minister to intervene?**

[Banhan] I have never intervened. I already issued policy guidelines but I can't tell everybody to follow. I have said let the legal mechanisms do their job. The policy is to ensure justice for all parties.

[Suphap] **The government is one-month-old now. But some people said they feel it has been in longer than that.**

[Banhan] I feel like time passes very quickly.

[Suphap] **How much has your life changed after becoming prime minister?**

[Banhan] A lot. I hardly have any privacy. However, if that's the price for the chance to work for the people, I'm ready to pay it. I think it's very difficult to reach this position (premiership). So when the opportunity knocks, I must not ignore it.

[Suphap] **Why do you have so many bodyguards?**

[Banhan] In fact, I have only three bodyguards regularly. They are policemen who have accompanied me since I was in the opposition. The ones you saw are provincial security officers. The military proposed giving me seven bodyguards, but I have yet to reply. I have never asked for reinforcements. I didn't want police cars for my trip to Suphan Buri, but they (authorities) protested. They said they would be in trouble if something bad happened to me.

[Suphap] **You are good at escaping reporters.**

[Banhan] I just want privacy some times. Once when I was paying homage to a spirit house, photographers took my picture. Later my photo appeared in a newspaper with a caption: 'Please help me stay until the four-year term finishes'. Do they get the film free of charge? I have never tried to escape reporters. Sometimes I go out for personal matters, like having my hair cut or seeing my dentist and I don't take a motorcade. So reporters think I want to avoid meeting them.

[Suphap] **You complained about reporters' aggressive questions.**

[Banhan] They may have sympathy for me now. The questions are no longer as aggressive.

[Suphap] **Are you afraid of the opposition leader named Chuan Likhai?**

[Banhan] No, but I will be careful. We are friends and I have never considered myself an enemy of anybody's. I have not seen him during the past month. But I get good cooperation from the opposition, and Khun Chuan himself has expressed the same views as me on some issues.

[Suphap] **The government's big problem is disputes among factions in Chat Thai, isn't it?**

[Banhan] Factionalism is no problem. What worries me is how to satisfy the public.

[Suphap] **You are preparing for an overseas trip, I suppose.**

[Banhan] I'm preparing for a United Nations meeting. But I have to visit Asean countries, including Vietnam, before that. I may only say 'hello' and dine with them and not have any political talks.

[Suphap] **The outgoing United States ambassador visited you.**

[Banhan] He told me that the US government would support this government and he gave me a congratulatory letter.

[Suphap] **Did you talk about the US's refusal to issue visa for certain Chat Thai members?**

[Banhan] No, we didn't. But I told him there would be cooperation for tougher suppression of the narcotics trade.

#### **General Chettha Discusses Burma, Politics**

95SE0163A Bangkok ATHIT in Thai 5-11 May 95  
pp 12-18

[Interview with Assistant Army CINC General Chettha Thanacharo by Piyanat Worasiri and Uaiphon Taechutrakun; place and date not given]

[FBIS Translated Excerpt] [Passage omitted] [Piyanat/Uaiphon] Even though you are not directly responsible for border affairs, as someone who was involved with border affairs for many years, we would like to ask you about the incident in which Burmese soldiers shot and killed a Thai citizen named Mr. Thawi Khamtankaew. That incident occurred along the Mae Sai River at the beginning of April. To date, no one has admitted



responsibility or offered to make an apology or pay compensation. Can you tell us what happened, and what should Thailand's attitude be? Or are we just going to allow this matter to fade away?

[Chettha] I don't know much about that. But the various reports that we have received all tend to agree with each other. We have to find out what actually happened. Burmese soldiers killed a Thai. But where did that happen? Did it happen across the border or right on the border? But in any event, Burmese soldiers shot and killed a Thai and that was wrong. They were definitely wrong. But we have to delve into this more deeply and determine why they did that. Did he cross the border? Did he have a weapon? But in any event, the fact is that they shot and killed a Thai. In short, if they made a mistake, they must accept responsibility and pay compensation. That will end the matter. I have talked with them about such things each time we have met, saying that if they make a mistake, they must accept responsibility. If they acted properly, then they acted properly. The party responsible can apologize and that will end the matter. I don't see any problems. We will have to wait and see what their attitude is. They may not know what really happened and may think that they acted correctly. The person fleeing from them had a weapon. Also, we don't know which soldier actually shot him. That happened at the end of the column. They probably don't understand or couldn't see. And that happened on the battlefield. But those are details. In any event, that probably didn't involve an act of betrayal. If it were me, that is what I would say. They should, one, apologize, and, two, pay compensation.

[Piyanat/Uaiphon] There have been reports that Burma has no intention of accepting responsibility. Instead, they have twisted the story, saying that it was a soldier at the end of the column or a Buddhist Karen who fired the shot.

[Chettha] That doesn't matter. We can discuss this with each other. They are interested. They are now taking a much milder position. They are thinking about this. In view of the fact that they were in a battlefield situation, they don't think that they did anything wrong. But they have to consider the feelings of the Thai people. In any event, if someone shoots and kills a Thai and we are not at war with them, then they were wrong. I have not met with them. If I meet with them, I will tell them that they were wrong. They can say what they want and think that what they did was reasonable. I don't know who did that. In that area, there are Karens, MTA soldiers, and various other groups. It's difficult to tell who is who at such moments. They can say that he crossed the border, that he had a weapon, and that he fled when they tried to capture him. They can say what they want. It doesn't

matter. We have to determine if there is any validity to their statements. I want to tell them that whenever something like this happens, they are probably more in the wrong than in the right. That is, what they did was wrong. They should apologize and pay compensation to the victim's family. That would end the matter. There would not be any hard feelings between us. That is the way I would handle this. If we were in the wrong, we would admit it. If I have a chance to meet with them, I will discuss this with them. I think that we can resolve this. [passage omitted]

[Piyanat/Uaiphon] You have had much contact with senior officials in the Burmese military government. Do you think that Burma is being sincere with Thailand?

[Chettha] I think that they are fairly sincere. They are fairly trustworthy. But they can be very frank. I have asked that we all forget what happened in the past. I think that we can talk to them. Based on what I have seen, I don't think that there will be any problems. I understand them, and they probably understand me. I tend to speak frankly. We have to adhere to our principles and be neutral. We can't try to please only ourselves, and neither can they. Whoever fired was wrong. How could they not be wrong? That much is quite clear. We can discuss the details later. [passage omitted]

[Piyanat/Uaiphon] Has the government asked the military to help coordinate things or resolve this matter?

[Chettha] We are coordinating things and have sent reports. We don't have any problems. It all depends on their attitude. But I think that they are now taking a much softer position. I think that we should be able to resolve this matter fairly soon. This will probably be discussed at a high level. They will be able to explain things to their leaders. We will tell them what actually happened. As I have said, we must be sincere with each other and speak frankly. Neither side should try to take advantage of the other; otherwise, we won't be able to get along. But if we are sincere, we should be able to get along fine. We won't try to take advantage of them but will be sincere. And actually, they will have to show some sympathy for us, because our situation is different from theirs. On their side, only one or two people will have to take responsibility. But here, we are responsible to all the people. Some understand and some don't, and some are willing to listen and others aren't. I have said this before. For them, it doesn't matter if the people listen or not. But here, we have to explain things and give reasons. Even after we give our reasons, the people may not accept those reasons. I hope that they will give in a little.



[Piyanat/Uaiphon] Let's turn to the recent military reshuffle and the great criticism that that generated. In your view, is the system of seniority in the military still very important?

[Chettha] This is something that is quite common. This is instilled in the cadets at our military academies. And the reason why we have to adhere to this is that we have to work together at critical moments. We have to have solidarity. Several factors are needed to generate solidarity, and that is one of the factors. The life of a soldier depends on the situation on the battlefield. On the battlefield, a soldier may die at any moment. Soldiers must be willing to sacrifice themselves for others, and they must resolutely obey the orders of their superiors. If a superior officer gives an order, soldiers must obey that order. If an order is given, soldiers can't dilly-dally like civilians. They can't say: I won't do that. I can't do that. I don't want to die. If soldiers act like that, they can be executed on the battlefield depending on the situation. And there is nothing wrong about that. Unless such resolute action is taken, everyone will die and the country will collapse. That is why soldiers are taught to trust their commanders. For this reason, commanders must be people who are well qualified. If they are, their subordinates will trust them. Otherwise, if they order people to sacrifice their lives, who would be willing to do so? That is why I have said that we must instill this quality in our soldiers. They will need that on the battlefield. If they are ordered to go out on patrol and know that they will be killed, they still have to go. If they refuse to go, they must be executed. Because others will refuse to go in similar situations and the mission will fail. The entire military will melt away, and the country will collapse. This is what needs to be understood.

[Piyanat/Uaiphon] Thus, "seniority" is an important factor in considering which officers will be assigned command positions.

[Chettha] That is one factor. But their knowledge and capabilities must be considered, too.

[Piyanat/Uaiphon] The reason why we asked this is that looking at the reshuffle of police officers during the time of this administration, it seems that seniority was not one of the main factors. Rather, "politics" was the main factor. Has the military encountered this problem?

[Chettha] I don't think that this or any other administration has interfered with the military in that way, and the military has not interfered in politics. This is a delicate issue. The police have to operate within the country. But the situation is different for the military. Those who have not studied this can't possibly know

about this. You have to look at the mission, too. [passage omitted]

[Piyanat/Uaiphon] As for the reshuffle in October, the "seniority" factor may decline in importance. The fact that some military officers have very close relations with politicians may become more important.

[Chettha] No. That is incorrect. Officers who serve in command positions have been thinking seriously about this. They are trying to find the best people to serve the military. The word "good" in Thai usage means good in all respects. This is different from other countries. They must be good in all respects. That is Thai society. I can assure you that everyone is honestly trying to do his best and trying to make his unit and the army as good as possible. I can assure you of that.

[Piyanat/Uaiphon] Will you have a chance or has any thought been given to changing the Defense Council and giving it the same powers as the Police Commission, which plays a role in appointing and reshuffling policemen?

[Chettha] I don't know if anyone is thinking about that or not. But a long-standing custom is that the commanders of the various military services have the power to consider such matters within their service. The Defense Council doesn't play a role in this, because it doesn't know the details. It is the various services that play a role. That is as far as it goes.

[Piyanat/Uaiphon] We have often heard about the importance of "class," particularly about the importance of classes 5 and 7, or CRMA [Chulachomklao Royal Military Academy] classes 5 and 7. And every time there is a military reshuffle, the mass media focuses on class as the important factor in discussing promotions. What is your view on this?

[Chettha] Actually, that has never been a factor. That is all I need to say. To be fair, it should be said that everything has good points and bad points. There are various angles to everything. If we focus on one point, we will view it from that angle. It's like playing with a spirit bottle. It moves because everyone focuses on one point. That is, we all look at the same aspect. But there are other aspects, too. If you look at the thing in its entirety, it will appear completely different. If someone thinks like that.... But I don't think that anyone thinks that. Sometimes, people may think that a particular person is a very able person and because he is a member of a senior class, he should be promoted first. But if class is an important factor, that means that people's minds are still undeveloped and that they do not have the welfare of the whole at heart. But I don't think that that is the case. It's like outsiders looking at things and



then criticizing things. They see something and then criticize this and that. They think that they have seen something, but actually, they haven't. If people think like that, they are being very narrow-minded. [passage omitted]

[Piyanat/Uaiphon] It is frequently said that the military is now a democratic institution. How can the military be a democratic institution in a non-democratic political system?

[Chettha] We are democratic. How is not important. Our general image must be that of a democratic institution. Being democratic means being fair. That is, we must be fair and just. Being fair means listening to the views of others. Justice, fairness, and morality are at the core of this. I think that the same is true for both soldiers and civilians. Everyone has his own views. If people focus on the collective, that is democracy. That is the basic principle.

[Piyanat/Uaiphon] Why have many officers resolutely declined to answer when asked about politics?

[Chettha] It's not good to talk about that. What people say may very well be distorted. And another thing is that soldiers should stay out of politics. They should not become involved or talk about politics. I am expressing my views and the views of soldiers based on the truth.

[Piyanat/Uaiphon] Will soldiers be able to stay out of politics at a time when politics is not really democratic?

[Chettha] That is a political statement. But we will not interfere. We will not become involved in the affairs of the government. We are an organization of the state, an apparatus of the state. The military will implement the government's policy. We have great discipline. If something is correct and comes about in the proper way, we will not interfere. If the government implements a policy, we will act in accord with that policy. That is the best way.

[Piyanat/Uaiphon] Do you agree with the statement that the military won't stage a coup if the political parties don't do anything that could lead to a coup?

[Chettha] What that means is that we won't interfere in any way. But to put it in even more forceful terms, we aren't interfering now. The government has power in accord with the law, and it has the tools to handle domestic and foreign matters. The military is simply monitoring things. That's all.

[Piyanat/Uaiphon] What if there is a state of unrest in the country?

[Chettha] That is no longer a matter for the military to deal with. The government has the tools to deal with that, that is, it has the police. The military will become involved only in external matters. We will become involved only if an enemy threatens to invade our country or threatens our sovereignty. We will certainly act in such cases. That is our mission, which is stated very clearly in the constitution. But internal affairs are not the military's affairs. In short, the military will stay out of internal matters, because those should be handled by the police. We will intervene only in extreme cases if asked to do so by the government. If it doesn't ask us to intervene, we won't. That's it.

[Piyanat/Uaiphon] What if the government doesn't request the military to intervene but the country is on the verge of collapse, the government can't solve the problems, and there is widespread disorder?

[Chettha] In that case, we would have to see what the people want. The people will tell us. Our duty concerns external affairs. Others have to solve the internal problems. If the people don't call on us, we can't do anything.



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